United Nations

A/62/81

General Assembly

Distr.: General
14 May 2007

Original: English

Sixty-second session
Item 132 of the preliminary list*
Programme planning

Experience gained in the planning and budgeting process

Report of the Secretary-General

Summary

The General Assembly, in its resolution 58/269, decided to review, with a view to taking a final decision at its sixty-second session, the format, content and duration of the strategic framework, including the necessity of maintaining part one, and requested the Secretary-General to submit a report, through the Committee for Programme and Coordination, reviewing the experiences gained with the changes made in the planning and budgeting process.

The elements of the programme planning, budgeting, monitoring and evaluation cycle have evolved over the years, with the most recent changes being made in conjunction with the introduction of results-based budgeting and results-based management concepts. Changes to the planning and budgeting process to ensure a more results-oriented Organization have addressed concerns about the format and content of planning, budgeting, monitoring and evaluation reports, the lengthy process and duplicative nature of intergovernmental review, management issues, flexibility, training, transparency and accountability. While improvements and refinements continue to be made in all those areas, the basic policies, procedures and mechanisms are in place. Future reports on those matters will undoubtedly reveal lacunae and areas for further improvement as lessons are learned regarding what works and what does not.

* A/62/50.

07-34214 (E) 300507

The present report addresses issues related to the planning and budgeting instruments, the monitoring and evaluation elements of the programme planning cycle to facilitate decision-making by the General Assembly on the strategic framework, and the role of the Committee for Programme and Coordination and the Advisory Committee on Administrative and Budgetary Questions in reviewing planning and budget documents. The Assembly may also wish to request further action with respect to revision of the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation; results-based management, including monitoring and evaluation; and training.

Contents

		Paragraphs	*Page*
I.	Introduction	1–2	4
II.	Background	3–12	4
III.	Strategic framework	13–25	7
IV.	Biennial programme budget	26–30	10
V.	Monitoring and evaluation	31–36	11
VI.	Conclusions and recommendations	37–44	13

I. Introduction

1. The General Assembly, in its resolution 58/269, having considered the reports of the Secretary-General entitled "Intergovernmental review of the medium-term plan and the programme budget" (A/57/786) and "Improvements to the current process of planning and budgeting" (A/58/395 and Corr.1), the note by the Secretary-General entitled "Improvements to the current process of planning and budgeting" (A/58/600) and the reports of the Advisory Committee on Administrative and Budgetary Questions thereon (A/58/7/Add.5 and A/58/610), decided to review, with a view to taking a final decision at its sixty-second session, the format, content and duration of the strategic framework, including the necessity of maintaining part one, and requested the Secretary-General to submit a report, through the Committee for Programme and Coordination, reviewing the experiences gained with the changes made in the planning and budgeting process.

2. The present report responds to that request and addresses issues related to the planning and budgeting instruments and the monitoring and evaluation elements of the programme planning cycle to facilitate decision-making by the General Assembly thereon. Due account has also been taken of Assembly resolutions 60/257 and 61/235. The report will also be considered by the Committee for Programme and Coordination at its forty-seventh session, pursuant to the invitation of the Assembly.[1]

II. Background

3. Following the Millennium Assembly in 2000, during which Member States decided to make the United Nations a more effective instrument for the pursuit of the priorities adopted in the United Nations Millennium Declaration (resolution 55/2), the Secretary-General presented proposals for strengthening the United Nations. In his report on strengthening of the United Nations: an agenda for further change (A/57/387), the Secretary-General drew attention, inter alia, to weaknesses of the budgeting and planning process with respect to activities funded under the regular budget. It was pointed out that the process was spread over a very long period of time, was complex, protracted, disjointed, time-consuming and rigid. Further, with a budget preparation cycle which started 18 months ahead of the biennium to which it related, the systems for reporting and evaluating the performance of programmes could have little practical impact on the plan and on resource allocation decisions for the subsequent period.

4. The Secretary-General, in an effort to streamline the process and to facilitate the focusing of attention on objectives and results rather than on quantitative measures of input and output, proposed a number of adjustments, including a shorter, more strategic medium-term plan covering two years instead of four years; a budget outline that could be combined with the medium-term plan; a shorter, more strategic budget with supplementary detail provided separately; and a strengthened system of evaluation and monitoring that will better measure the impact of the Organization's work. At the same time, the Secretary-General also recommended that the intergovernmental review of plans and budgets then performed by both the

[1] See *Official Records of the General Assembly, Sixty-first Session, Supplement No. 16* (A/61/16), para. 439.

Fifth Committee and the Committee for Programme and Coordination be absorbed under the auspices of the Fifth Committee itself. That measure was to reduce the time spent on reviewing planning and budgeting documents and the duplicative nature of those reviews.

5. The General Assembly, in its resolution 57/300, requested the Secretary-General to submit a more detailed proposal concerning the medium-term plan and linkage to the budget outline for consideration at its fifty-eighth session. The Assembly also reaffirmed the roles of the Fifth Committee, the Committee for Programme and Coordination and the Advisory Committee in the intergovernmental consideration of the planning, programming and budgeting processes and at the same time invited the Committee for Programme and Coordination to continue to improve its working methods. In the same resolution, the Assembly welcomed the Secretary-General's efforts to strengthen the system of evaluation and monitoring and requested him to submit a report clarifying his proposal for a single-stage intergovernmental review of the programme budget and medium-term plan for consideration at its resumed fifty-seventh session.

6. In response to that request, the Secretary-General submitted his report on intergovernmental review of the medium-term plan and the programme budget (A/57/786). In an attempt to find ways to streamline the whole planning and budgeting process in order to facilitate decision-making by Member States, it was proposed that the Committee for Programme and Coordination should no longer have responsibility for reviewing the medium-term plan, the budget outline and the programme budgets and that instead the plan and budget would be subject to a single-stage intergovernmental review by the Fifth Committee, which would take into account, following established practice, the technical recommendations of the Advisory Committee. The role of the Committee for Programme and Coordination would thenceforth focus on programme monitoring and evaluation of results achieved, shifting its emphasis from the pre-implementation to the implementation and post-implementation stages of the work of the Organization funded under the regular budget. The General Assembly decided to defer consideration of the above-mentioned report until its fifty-eighth session.

7. In response to General Assembly resolution 57/300 with respect to the planning and budgeting process, the Secretary-General submitted his report on improvements to the process of planning and budgeting to the General Assembly for consideration at its fifty-eighth session (A/58/395 and Corr.1). In that report, the Secretary-General proposed:

(a) A medium-term plan that would cover a two-year period, to be renamed "part one: biennial programme plan" and combined with "part two: budget outline" so as to constitute a "strategic framework" for the Organization, thereby linking estimated resource requirements to the planning stage;

(b) An expansion of the detail contained in the budget outline, including additional information on programmatic and resource changes;

(c) Further improvement to the format and content of the proposed programme budget to facilitate decision-making at the policy level;

(d) A revision of the role of the Committee for Programme and Coordination that would encompass the review of part one: biennial programme plan of the

strategic framework but exclude review of part two: budget outline of the strategic framework and the proposed programme budget.

8. The Advisory Committee, in considering the Secretary-General's proposals, recommended that mock-ups of the proposed documents be prepared for the Assembly's review (A/58/7/Add.5) and the Secretary-General submitted such mock-ups (A/58/600, annexes I and II).

9. Based on the deliberations of the General Assembly on the above-mentioned reports, Member States had markedly divergent views about the Secretary-General's proposals. Some were of the view that the Committee for Programme and Coordination was the main body responsible for the programme planning, budgeting, monitoring and evaluation cycle and should therefore continue to consider all related reports within its mandate. Other Member States were of the view that the Committee had not lived up to expectations, had failed in its efforts to improve its effectiveness, had been unable to reach consensus on recommended improvements to its working methods and procedures and had not provided added value to decision-making by the General Assembly.[2] Concerns were also expressed about the method of negotiating, word by word,[3] the lengthy process of review of planning and budgeting instruments and the little attention given to monitoring and evaluation of results achieved (see A/C.5/58/SR.18 and A/57/786). Views were also expressed about the importance of not compromising the powers of intergovernmental bodies for programme planning, the setting of the level of the budget and resource allocation (see A/C.5/58/SR.18). In that regard, concern was expressed that the proposal to link the plan to the budget outline would amount to imposing, at the planning stage, budget ceilings on programme requirements (see A/C.5/58/SR.18).

10. The intense debate addressed procedural issues, in terms of the intergovernmental review process, as well as substantive issues, in terms of the format of the plan, including its duration, the strategic linkage between programme planning and resource planning and monitoring and evaluation. The outcome was that the General Assembly did not agree with the inclusion of the budget outline as part of the strategic framework as proposed by the Secretary-General and, in its resolution 58/269, requested the Secretary-General to prepare, on a trial basis, for submission to it at its fifty-ninth session, a strategic framework comprising (a) part one: a plan outline reflecting the longer-term objectives of the Organization and (b) part two: a biennial programme plan. The Assembly decided that the programme narratives of the programme budget fascicles should be identical to those in the biennial programme plan; requested the Secretary-General to include in the introduction of the budget fascicles information on the new and/or revised mandates approved by the Assembly subsequent to the adoption of the biennial programme plan; and requested that the Committee for Programme and Coordination, in performing its programmatic role in the planning and budgeting process, review the programmatic aspects of those new and/or revised mandates and any differences that arise between the biennial programme plan and the programmatic aspects of the proposed programme budget. The Assembly also decided that the Committee would no longer consider the budget outline. In that resolution, the Assembly recognized

[2] Ibid., para. 437.

[3] See *Official Records of the General Assembly, Fifty-eighth Session, Supplement No. 16* (A/58/16), paras. 630 and 631.

the important role of the Committee in planning and programmatic matters and decided that matters concerning resource requirements would fall under the purview of only the Advisory Committee and the Fifth Committee.

11. With respect to budgetary matters, the Assembly decided to keep the format of the programme budget and to maintain the level of information contained therein. On that point, the biennial programme budget had been shortened to facilitate consideration and decision-making on the basis of a higher level of information on resource requirements. Details are provided as supplementary information only to the Advisory Committee.

12. The Assembly, in the above-mentioned resolution, also decided to review, on the basis of comments provided by the Committee for Programme and Coordination, with a view to taking a final decision at its sixty-second session, the format, content and duration of the strategic framework, including the necessity of maintaining part one.

III. Strategic framework

13. As articulated in the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (ST/SGB/2000/8), the medium-term plan was considered the principal policy directive of the Organization, providing the framework for the biennial programme budgets. The planning process was to assure Member States that the work of the Organization would be resourced and conducted in a manner that had been approved and would be in compliance with the legislative intent. The first medium-term plan was for the period 1974-1977 and was structured according to sectors (for example, statistics, population and transport) and included estimated resource requirements. The plan for 1984-1989 was the first six-year plan, which was extended to 1991. With the introduction of the budget outline for the period 1990-1991, pursuant to General Assembly resolution 41/213, the subsequent medium-term plans no longer included estimated resource requirements. The duration of four years was reinstated for the 1998-2001 medium-term plan, which was restructured to provide congruence between its programmes and the sections of the programme budget to ensure a better link with resource requirements and enhanced accountability. The plan for the period 2002-2005 was the first to reflect specific concepts of results-based budgeting and included a logical framework articulating objectives, expected accomplishments and indicators of achievement.

14. As mentioned above, pursuant to General Assembly resolution 58/269, the proposed strategic framework for the period 2006-2007, comprising part one: plan outline, reflecting the longer-term objectives of the Organization, and part two: biennial programme plan, was submitted to the Assembly at its fifty-ninth session, through the Committee for Programme and Coordination at its forty-fourth session, in 2004. No decision could be reached on part one: plan outline. The Committee did not recommend approval of part one and the Assembly, in its resolution 59/275, decided to adopt only the biennial programme plan, which was issued with a short introduction listing the priorities approved by the Assembly.[4]

[4] *Official Records of the General Assembly, Fifty-ninth Session, Supplement No. 6* (A/59/6/Rev.1).

15. The second proposed strategic framework for the period 2008-2009, comprising part one: plan outline and part two: biennial programme plan, was submitted to the General Assembly at its sixty-first session, through the Committee at its forty-sixth session, in 2006. Again, the Committee did not recommend approval of part one. The view was expressed that the plan outline focused on format and did not provide an idea of the challenges facing the Organization, of lessons learned, of positive experiences of the past period or of strategies to reform the Organization. Again, the Assembly, in its resolution 61/235, decided to adopt only the biennial programme plan, which was issued with a short introduction listing the priorities approved by the Assembly.[5]

16. It is noted that while medium-term plans over the years have all included an introduction, which was intended to provide a succinct overview of all the programmes, those introductions have been criticized for not having addressed strategic issues but presenting only a summary of the activities carried out by the Organization within each programme. An attempt was made to be more strategic and policy-oriented at the level of the Organization in the form of a "perspective", in the context of the medium-term plan for the period 1998-2001. The intention was to provide an overarching analysis of persistent problems, challenges and emerging trends to be addressed by the international community. Consensus could not be reached, resulting in an introduction to the medium-term plan for the period 1998-2001 that presented only the priorities of the Organization. It is worth noting that the priorities for the Organization have not changed since their approval for the four-year medium-term plan for the period 1998-2001.

17. The Secretary-General addresses problems and challenges on a regular basis, responding to changing events and emergency situations by expressing his views and presenting his proposals on how the Organization should respond. In the context of planning, as part of the programme-planning, budget, monitoring and evaluation cycle, however, each attempt made by the Secretary-General to present his vision for the longer term, expressing his analysis of continuing problems and future challenges, has led to intense debate. Agreement has been reached on the format and structure of the plan and on the individual programmes, but no consensus could be reached on the content of the longer-term objectives for the Organization. Criticisms by Member States over the years have included lack of balance in reflecting the interests of all Member States; use of terminology that had not yet been agreed; inaccurate translation of mandates; and the need to bear in mind that resources were finite. The plan outline for the period 2008-2009 focused on format and procedural issues. The Committee for Programme and Coordination expressed disappointment at the absence of references to longer-term objectives and challenges faced by the Organization and recommended that the General Assembly approve only the priorities in the plan outline.

18. Member States have reached consensus on how to address specific challenges at the programme and subprogramme levels, but in terms of overall longer-term objectives for the Organization, given the divergent views of Member States, agreement has not been reached. Given the fact that the General Assembly has not approved part one: plan outline for two consecutive periods of the strategic framework, the Assembly may wish to consider whether or not to continue with that element of the strategic framework.

---

[5] *Official Records of the General Assembly, Sixty-first Session, Supplement No. 6* (A/61/6/Rev.1).

19. While timing (see para. 3 above) is sometimes a problem, in terms of inclusion of, for instance, the recommendations of the Millennium Declaration in the medium-term plan for 2002-2005 or of the findings of monitoring and evaluation reviews of one biennium for the preparation of the subsequent biennium (for example, monitoring and evaluation of the 2006-2007 programme budget is currently not available for the preparation of the proposed programme budget for 2008-2009) in the planning and budgeting documents, it should be understood that programme managers do not ignore those new mandates at the implementation stage. Programme managers do in fact pay attention to the recommendations and decisions of legislative bodies throughout the year, whether or not they have yet been specifically mentioned in planning or budgeting documents. The time lag does not prevent programme managers from adequately taking into account new mandates that affect their work, as well as they should if they pay attention to intergovernmental decisions on matters directly or indirectly affecting it.

20. Similarly, findings from monitoring and evaluation reviews are known to managers before their publication in reports submitted by the Office of Internal Oversight Services and can readily be taken into account when undertaking their work or preparing for their future plans and budgets. Given the fact that objectives and expected accomplishments are fairly general, the absence — because of timing — of specific references to new mandates, such as the Millennium Development Goals would not, for the large part, have resulted in those mandates being ignored during implementation of the plan and the related programme budget. A review of the biennial programme performance report for the biennium 2000-2001 would reveal references to, and an assessment of, the implementation of the Millennium Development Goals even in the absence of such specific references in the medium-term plan or programme budget covering that period.

21. The concerns expressed about the shortcomings of the plan, with respect to its focus on activities rather than on expected accomplishments and its length, have been addressed. Compared to past plans, which have comprised two volumes, the current biennial programme plan no longer lists activities but reflects objectives, expected accomplishments and indicators of achievement. The current biennial programme plan for the period 2008-2009[5] consists of 400 pages, and each subprogramme already presents only key expected accomplishments and key indicators, even though there may be many more that are of interest to programme managers in determining the effectiveness of their work. Any further reduction in the length of the plan would result in a level of generality that would render the programmes and subprogrammes meaningless and devoid of vital information for Member States to take decisions regarding the work of the Organization.

22. With the experience gained since General Assembly resolution 58/269, the two-year duration of the plan would appear to be appropriate, providing programme managers with a planning tool that is easily translated into a biennial programme budget. A longer period covered by the plan, say a four- or six-year period as in the past, would require programme managers to then adapt it to a two-year period for the biennial programme budget, an extremely time-consuming exercise with limited beneficial result, as experienced in the past. The fact that the programmatic elements of the proposed programme budget are now required to be identical to the plan makes the preparation and review of the budget a less time-consuming exercise for the Secretariat and Member States alike, because they have had the opportunity to review the plan prior to the start of budget preparation and to provide the

appropriate guidance to the Secretary-General on the formulation of the budget to ensure implementation of the programme of work.

23. While it may be argued that the review process by many intergovernmental bodies continues to be duplicative, Member States have consistently pointed out that the process was an important one for them to coordinate and reconcile potential inconsistencies between central and decentralized mandates as well as to express a shared commitment to the work of the Organization as a whole. The existence of a plan provided a measure of assurance that actions to address new challenges would not be taken at the expense of actions that continue to be necessary to deal with persistent problems, particularly in the context of limited resources. The process of adopting the plan has been important for building consensus on the work of the Organization.

24. The fact that the Committee for Programme and Coordination now reviews only the plan and not the proposed programme budget — unless there are changes to the approved plan — has made the budget review process a less protracted and a less time-consuming exercise.

25. There has not been any disagreement on the presentation of the logical framework that is presented in part two: biennial programme plan. While improvements can still be made, particularly with respect to the selection of key indicators that are meaningful, the format of the plan has by and large been effective in implementing results-based management concepts. The focus is no longer on outputs and activities but on expected accomplishments and on how to measure whether or not they have been achieved. The decision that needs to be taken by the General Assembly is whether or not to maintain part one: plan outline.

IV. Biennial programme budget

26. Pursuant to the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, the Secretary-General's proposed programme budget is prepared within the framework of the plan. Since the beginning of programme planning, the programme budget has covered a period of two years, irrespective of the duration of the plan. The budgeting process has also evolved over the years and changes have taken place with respect to format and methodology. For the first biennium following the adoption of General Assembly resolution 58/269, namely 2006-2007, the programme narratives of the programme budget, namely the objective of the Organization, expected accomplishments of the Secretariat and indicators of achievement, were identical to those approved in the biennial programme plan for the period. Budget sections that included modifications because of new mandates were submitted to the Committee for Programme and Coordination for review.

27. In accordance with the recommendation of the Committee, contained in its report on the forty-fifth session,[6] the proposed programme budget for 2008-2009 will also include the overall orientation for each programme that is presented in the biennial plan, not just the logical framework comprising the objective of the

[6] See *Official Records of the General Assembly, Sixtieth Session, Supplement No. 16* (A/60/16), para. 118.

Organization, expected accomplishments of the Secretariat and indicators of achievement. In other words, the entire biennial programme plan for 2008-2009, excluding the strategy and references to legislative mandates, will be reproduced in the proposed programme budget for that biennium. The strategy and legislative mandates will be drawn upon and referenced as applicable in budget proposals. In addition, there will also be performance measures, external factors and outputs. Each budget section will, by necessity, also include a brief summary of budgetary matters with respect to overall changes for that section, including changes in the number of posts, the level of resource requirements and any other matters having an impact on the proposed resource requirements for that section. Those additional elements would not require review by the Committee for Programme and Coordination.

28. An argument could be made, on the one hand, that performance measures and external factors could also be included in future plans. On the other hand, it could be argued that more accurate performance measures and external factors would be more readily available only at the time of preparation of the programme budget, a year after the start of the preparation of the biennial programme plan. For example, at the end of 2005, programme managers were required to start preparation of their biennial programme plan for 2008-2009 for approval in 2006. At the end of 2006, programme managers began preparation of their proposed programme budget for 2008-2009 for approval in 2007. It is the view of the Secretary-General that performance measures and external factors should continue to be reflected only in the programme budget.

29. The Secretary-General's proposed budget outline and programme budgets are now submitted, pursuant to resolution 58/269, only to the General Assembly through the Advisory Committee. Only when there are changes to the programmatic elements (overall orientation, objective of the Organization, expected accomplishments of the Secretariat and indicators of achievement), as approved for the biennial plan, would the programme budget be submitted to the Committee for Programme and Coordination for its review.

30. Those procedures have worked well. Budget review is now less time-consuming, for Member States and the Secretariat. The Committee for Programme and Coordination now has more time to focus on monitoring and evaluation issues and on determining whether the expected accomplishments have been achieved.

V. Monitoring and evaluation

31. Linked to better planning, budgeting and implementation efforts is the adequacy of an effective monitoring and evaluation system. The General Assembly, in its resolution 58/269, emphasized the need to strengthen the monitoring and evaluation system and in that regard urged the Secretary-General to improve the format and timing of programme performance and evaluation reports.

32. Pursuant to that resolution, the Office of Internal Oversight Services, in collaboration with the Joint Inspection Unit, submitted its report on proposals for the strengthening and monitoring of programme performance and evaluation (A/60/73). The Joint Inspection Unit, which had issued a series of reports on managing for results in the United Nations system (see A/59/607, A/59/617, A/59/631 and A/59/632), outlined the steps necessary for the strengthening of

performance monitoring and the effective use of evaluation findings. The Unit described a number of practices in place in organizations of the United Nations system as well as challenges faced by those organizations, such as adequacy of training, guidelines, monitoring systems and databases; benchmarking; improvements needed in the definition of expected accomplishments and meaningful indicators; and greater use by intergovernmental bodies of performance information for decision-making.

33. The conclusions reached by the Office of Internal Oversight Services in its above-mentioned report included:

(a) Implementation by stakeholders (intergovernmental bodies, the Office and programme managers) of actions to strengthen monitoring and evaluation, as listed in the annex to the report. For example, the Committee for Programme and Coordination should focus on addressing questions of relevance, usefulness, efficiency and effectiveness of the work carried out; specialized intergovernmental bodies should review monitoring and evaluation reports; the Office should strengthen central monitoring and evaluation systems and results-based management systems; and programme managers should pay greater attention to self-evaluation of their activities;

(b) Adequate training must be made available;

(c) Tools and systems supporting results-based management must be improved and integrated.

34. The General Assembly, in its resolution 60/257, took note of the report and encouraged intergovernmental bodies to make use of the findings in the programme performance report of the Secretary-General and evaluation reports in planning and policymaking. The Assembly also requested a report to be submitted to it at its sixty-second session on the measures to strengthen self-evaluation by programme managers and to ensure more extensive and uniform use of self-evaluation at the programme and subprogramme levels, as well as to develop and implement common professional standards and methodologies for self-evaluation throughout the United Nations system, in consultation with the United Nations System Chief Executives Board for Coordination. Further, in its resolution 61/235, the Assembly recalled its resolution 60/257 and requested the Secretary-General to submit proposals to improve the links between monitoring, evaluation, programme planning and budgeting.

35. A parallel attempt to improve the effectiveness of the Organization followed the General Assembly's request, in its resolution 60/1, that an external evaluation of the governance and oversight system of the United Nations be undertaken. The findings of that evaluation were submitted to the Assembly, which, in its resolution 61/245, requested, inter alia, that a review be undertaken of results-based management at the United Nations. The review will address the basic requirements for such a system to be effective, including credible measurement, analysis and utilization of results information, transparency and accountability. The findings from that review will be presented to the Assembly before the end of its sixty-first session. It is expected that the aforementioned requests of the Assembly, contained in resolutions 60/257 and 61/235, for the submission of reports on monitoring and evaluation, will be dealt with in the context of the outcome of the review of results-based management.

36. Mention must be made of the resources for monitoring and evaluation exercises. Programme managers have found it difficult to assign sufficient specific resources for more effective monitoring and self-evaluation of their regular budget activities. With the need to report on results every two years, the monitoring and self-evaluation exercises have somewhat improved, as reflected in the biennial programme performance reports. But, as the Office of Internal Oversight Services has po nted out in its reports, discrete resources for those exercises are difficult to pinpo.nt since those exercises are largely carried out by staff as part of their substantive work. Programmes and subprogrammes that have a large proportion of financing from voluntary contributions have fared better in terms of allocation of specific resources to monitoring and evaluation. Donors require such monitoring and evaluation exercises and make provision for them. The question of the adequacy of regular budget resources, of course, remains a question of the extent to which programme managers are willing to assign an adequate portion of their approved resources to undertake monitoring and evaluation activities. It is primarily a question of willingness to organize and distribute resources for their respective work programmes to meet monitoring and evaluation requirements. As regards central capacity, earlier reports by the Office of Internal Oversight Services have raised the issue of the adequacy of resources available for carrying out its responsibility for monitoring and evaluation. The report of the Office on its strengthening (A/60/901) sets out proposed revised arrangements for its role in the areas of inspection, evaluation and monitoring.

VI. Conclusions and recommendations

37. The elements of the programme planning, budgeting, monitoring and evaluation cycle have evolved over the years, with the most recent introduction of results-based budgeting and results-based management concepts. The plan remains the principal policy directive of the United Nations, expressing a shared commitment to the work of the Organization as a whole and ensuring that actions to address new challenges would not be taken at the expense of actions that continue to be necessary to deal with persistent problems.

38. While it has been possible for Member States to reach consensus on the work of the Organization at the programme and subprogramme levels, in terms of the substance and format of the planning and budgetary documents, it has not been possible for Member States to reach agreement on part one of the strategic framework, which was intended to present the longer-term objectives of the Organization. The articulation of longer-term objectives for the Organization has turned out to be a difficult exercise. Different approaches and formats have been proposed, but Member States have not been able to reach consensus.

39. As far as budgetary matters are concerned, experience has shown that the current status, in terms of duration and format of the biennial programme budget, have met the concerns of the General Assembly. Review only by the Advisory Committee for consideration and recommendation to the Assembly, unless there are programmatic changes which would then also be reviewed by the Committee for Programme and Coordination, has reduced the time spent on preparation and review of the proposed programme budget.

40. While the adequacy of monitoring and evaluation procedures and systems, and the use of such findings, has been a continuing concern of the General Assembly, it is nevertheless clear that the overall machinery for the implementation of the programme planning, budgeting, monitoring and evaluation cycle is in place. The effectiveness of those elements can certainly be improved, and the introduction of results-based budgeting and results-based management has brought to light a number of improvements: better understanding of results expected and not just of outputs delivered, refinements in planning and budgetary documents, less duplicative review; as well as deficiencies: the degree of attention to monitoring and evaluation matters by both the Secretariat and by Member States, inadequate commitment by senior management to support results-based management and inadequate continuous training. The findings from the review on results-based management currently being undertaken may yield further insight into the stumbling blocks that have prevented the Organization from fully and effectively implementing the current procedures and mechanisms for planning, budgeting, monitoring and evaluation.

41. In the light of the changes that have taken place in the past six years, and subject to decisions taken by the General Assembly on the above-mentioned reports that it will be considering at its sixty-second session, concerning the programme planning, budgeting, monitoring and evaluation cycle, the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, last revised in 2000, would need to be revisited and modified accordingly. In that regard, the Office of Internal Oversight Services, in its report on strengthening the role of evaluation and the application of evaluation findings on programme design, delivery and policy directives (A/61/83), has already highlighted areas for modifications to article VII on evaluation. Other modifications would also be required for provisions related to the plan, the budget and the role of the Committee for Programme and Coordination.

42. Changes to the planning and budgeting process to ensure a more results-oriented Organization have addressed concerns about the format and content of planning, budgeting, monitoring and evaluation reports, the lengthy process and duplicative nature of intergovernmental review, management issues, flexibility, training, transparency and accountability. Efforts must also continue to rationalize and streamline the documentation that goes to Member States. While improvements and refinements continue to be made in all those areas, the basic policies, procedures and mechanisms are in place. Future reports on those matters will undoubtedly reveal lacunae and areas for further improvement as lessons are learned regarding what works and what does not.

43. **The General Assembly may wish to:**

(a) **Decide that the planning instrument for the Organization shall be the strategic framework, to become effective for the biennium 2010-2011;**

(b) **Decide whether to continue including part one: plan outline in the strategic framework;**

(c) **Decide that the Committee for Programme and Coordination shall continue to review the strategic framework and any changes thereto as reflected in the related biennial proposed programme budget;**

(d) Decide that the Advisory Committee shall continue to review the Secretary-General's proposed budget outline and proposed biennial programme budgets.

44. The General Assembly may also wish to request the Secretary-General to:

(a) Undertake a review of the Regulations and Rules Governing Programme Planning and submit proposals for further modifications for its consideration at its sixty-fourth session;

(b) Continue strengthening results-based management, including monitoring and evaluation activities;

(c) Ensure that training on the programme planning, budgeting, monitoring and evaluation cycle be fully integrated as part of the Organization's training programme and included in any orientation courses for senior managers to enhance their commitment to results-based management.

United Nations A/62/82–E/2007/66

General Assembly
Economic and Social Council

Distr.: General
15 May 2007

Original: English

General Assembly
Sixty-second session
Item 73 (c) of the preliminary list*
Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance

Economic and Social Council
Substantive session of 2007
Geneva, 2-27 July 2007
Item 9 of the provisional agenda**
Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations

Assistance to the Palestinian People

Report of the Secretary-General

Summary

During the period under review, the Palestinian economy suffered a significant decline and the socio-economic and humanitarian conditions of the population worsened. Many donors reviewed their assistance policy to the Palestinian Authority, in the context of the three principles spelled out by the Middle East Quartet in January 2006. At the same time, the Government of Israel continued to withhold the payment of the tax revenues it collects on behalf of the Palestinian Authority, with the exception of one transfer early in 2007. As a result, and despite increased levels of aid, the Palestinian Authority has been facing a worsening fiscal crisis, which has exacerbated the already precarious situation in the Occupied Palestinian Territory.

These developments occurred against the backdrop of continuing violence between Israelis and Palestinians, as well as among Palestinians, that claimed innocent lives on both sides. The reporting period was notably marked by the capture of an Israeli soldier by Palestinian militants, the continuation of Palestinian attacks against Israeli civilians, in particular the firing of rockets from the Gaza Strip, Israeli military reprisals conducted in Palestinian civilian areas, the continuation of a tight closure policy by the Israeli authorities, the partial implementation of the 2005 Agreement on Movement and Access, the resumption of direct contacts between

* A/62/50.
** E/2007/100.

07-34341 (E) 150607

Israeli Prime Minister Ehud Olmert and Palestinian President Mahmoud Abbas, and the formation of the Palestinian Government of National Unity.

The present report contains a description of efforts made by United Nations agencies, in cooperation with Palestinian and donor counterparts, to support the Palestinian civilian populations and institutions.

I. Introduction

1. The present report is submitted pursuant to General Assembly resolution 61/135 of 14 December 2006, in which the Assembly requested the Secretary-General to submit to it at its sixty-second session, through the Economic and Social Council, a report on the implementation of the resolution. The reporting period was from May 2006 to April 2007.

2. Information on the living and socio-economic conditions of the Palestinian people is provided in reports prepared by other United Nations agencies, in particular in (a) the report of the Economic and Social Commission for Western Asia (ESCWA) on the economic and social repercussions of the Israeli occupation on the living conditions of the Palestinian people in the occupied Palestinian territory, including Jerusalem, and of the Arab population in the occupied Syrian Golan (A/61/67-E/2006/13); (b) the annual report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East;[1] and (c) the Humanitarian Monitor reports of the Office for the Coordination of Humanitarian Affairs.

3. Throughout the reporting period, the United Nations Special Coordinator for the Middle East Peace Process and Personal Representative of the Secretary-General to the Palestine Liberation Organization and the Palestinian Authority continued his efforts to support the peace process and to ensure effective coordination between the Palestinian Authority, the United Nations, the international community and the Government of Israel, as well as to document the economic and social conditions in the Occupied Palestinian Territory.

4. The present report provides an overview of the work of the United Nations agencies, in cooperation with Palestinian and donor counterparts, to assist the Palestinian people and institutions, as described in General Assembly resolution 61/135. Also included are observations of the political climate and related challenges as the international community responds to the crisis and works to end the cycle of violence, alleviate the suffering of the Palestinian people, and move forward towards a peaceful settlement.

II. Overview of the current situation

A. Political

5. The reporting period was dominated by a review of diplomatic contacts and international financing arrangements with the Palestinian Authority following the January 2006 legislative elections, including a redirection of aid through the Office of the President and humanitarian channels. On 30 January 2006, the Middle East Quartet concluded "that it was inevitable that future assistance to any new Government would be reviewed by donors against that Government's commitment to the principles of non-violence, recognition of Israel and acceptance of previous agreements and obligations, including the road map".

[1] *Official Records of the General Assembly, Sixty-first Session, Supplement No. 13* (A/61/13).

6. On 9 May 2006, following the formation of a Hamas-led Palestinian Authority Government, the Quartet expressed "its willingness to endorse a temporary international mechanism that is limited in scope and duration, operates with full transparency and accountability, and ensures direct delivery of assistance to the Palestinian people". The European Commission took the lead in establishing the mechanism, which began operating in July 2006. In March, the mechanism was renewed until June 2007. For its part, Israel suspended the transfer of most Palestinian customs and tax revenues collected on behalf of the Palestinian Authority. However, following a meeting between Palestinian President Mahmoud Abbas and Israeli Prime Minister Ehud Olmert in December 2006, Israel authorized a one-off transfer of $100 million to Presidential accounts.

7. Repeated attempts were made to overcome this impasse by reaching an accord on a national unity Government. These efforts were complicated, however, by the capture of an Israeli soldier by Palestinian militants in June 2006, a sustained three-month Israeli military campaign in Gaza, and the continuation of rocket fire at Israeli territory from the Gaza Strip.

8. The tensions between the main Palestinian factions escalated to armed confrontations. Following an intense round of intra-Palestinian violence in Gaza in December 2006 and January 2007 that threatened to degenerate into civil war, the Kingdom of Saudi Arabia invited Palestinian leaders to Mecca, Saudi Arabia, where an agreement was reached on 8 February to end factional violence and form a national unity Government. That agreement, and the subsequent formation of the Palestinian Government of National Unity, calmed the situation, though clan feuds have continued in Gaza, where law and order are yet to be fully restored and the firing of rockets into Israel is yet to be halted. A British journalist, Alan Johnston, was abducted on 12 March 2007. The stated platform of the Government did not explicitly commit to the principles spelled out by the Quartet, but it nevertheless constituted a step forward. As it came into office, the new Government faced many daunting tasks, including a fiscal crisis, the restoration of law and order, the cessation of rocket fire into Israel, and negotiations for the release of the captured Israeli soldier.

9. During the reporting period, the Israel-Hizbullah conflict in Lebanon and its political fallout brought to a halt any Israeli attempts to implement a unilateral withdrawal from parts of the West Bank. Settlement activity and construction of the barrier continued in the West Bank, as did Israeli incursions into population centres. Efforts from December 2006 onwards to bring about political progress through dialogue between President Abbas and Prime Minister Olmert brought few immediate results.

10. Throughout this period of crisis, the United Nations consistently emphasized its support for the formation of a national unity government, whose platform reflected Quartet principles, while calling on both parties to implement their obligations under the road map and supporting efforts to resume political dialogue. The United Nations strongly advocated for all parties to adhere to their obligations under international humanitarian law regarding the use of force and the protection of civilians. Through the Quartet and other channels, the United Nations worked to facilitate the release of Palestinian customs and tax revenues through agreed mechanisms, and encouraged the international community to continue to assist Palestinians in need.

B. Humanitarian and socio-economic context

Economic and fiscal developments

11. After a modest recovery between 2003 and 2005, the Palestinian economy suffered another decline in 2006. Real gross domestic product (GDP) fell by 5 to 10 per cent in 2006, and income per capita dipped to almost 40 per cent below its 1999 level.

12. The Palestinian Authority experienced a severe fiscal crisis. Total resources fell by almost 40 per cent, from $2.1 billion in 2005 to $1.3 billion in 2006, reflecting the suspension of direct assistance by most donors and the withholding of clearance revenues by Israel. Also, commercial banks reduced the stock of their loans to the Palestinian Authority because of risks of litigation abroad. Meanwhile, the wage bill continued to expand and by early 2007 exceeded the value of revenues, including those still withheld by Israel. The overall fiscal deficit reached almost $1 billion in 2006, up from $760 million in 2005. As a result, the Palestinian Authority accumulated up to $900 million in salary, non-salary and pension-fund arrears. Government employees received on average only about 50 to 60 per cent of their regular incomes.

13. Official and private financial flows from abroad helped prevent a much sharper decline in incomes and consumption in 2006, thus cushioning the overall contraction. External budget support through Palestinian Presidential accounts doubled in 2006, reaching almost $750 million. Humanitarian assistance increased by 56 per cent over the previous year. However, a decline in private investment, from an already low base, signalled a further hollowing out of the Palestinian economy and an increase in its dependency on foreign assistance and remittances.

Humanitarian and socio-economic developments

14. Levels of violence remained high during the reporting period. Two major prolonged Israeli military operations into the Gaza Strip in July and November 2006 were highly destructive. Rockets continued being fired from the Gaza Strip into Israeli territory, and attacks against Israeli civilians were carried out by Palestinian militants, though in a lesser number than in the past. However, there was a marked decline in the Palestinian-Israeli violence in Gaza since the ceasefire of 26 November 2006. In addition, conflict among Palestinian factions and private militias intensified. Overall, 900 Palestinians (146 children) and 16 Israelis (no children) were killed during the reporting period, and a further 4,507 Palestinians and 255 Israelis were injured.

15. Despite increases in financial and emergency assistance, humanitarian indicators continued to worsen, owing to a combination of ongoing closures and the inability of the Palestinian Authority to meet the public wage bill. By April 2007, an estimated 66 per cent of Palestinians were living in poverty, a 30 per cent increase from 2005. One third of the Palestinians were food insecure and a quarter unemployed. The situation was particularly severe in Gaza, where 80 per cent of the population relied on United Nations food aid, and 88 per cent lived below the official poverty line of $2.20 per day.

16. The intensification of closures was reflected in the failure to meet agreed targets under the 2005 Agreement on Movement and Access. Between 25 June and

31 December 2006, the Rafah crossing between the Gaza Strip and Egypt was mainly closed. Improvements began in the first quarter of 2007, with the crossing open for up to 27 per cent of scheduled opening hours. The Karni crossing, the main commercial transit point between Gaza and Israel, operated at only a fraction of the Agreement targets during the reporting period. Here again, export levels improved in the first quarter of 2007, but rarely exceeded 10 per cent of the Agreement target of 400 trucks per day. Worker movement through the Erez crossing to Israel has halted since the January 2006 elections.

17. There was no progress on construction of a seaport or airport, or on the establishment of a link between the West Bank and Gaza, and, despite Israeli Prime Minister Olmert's commitment to Palestinian President Abbas to ease movement restrictions in the West Bank, there has been no discernible improvement in movement for Palestinians in the West Bank. According to the Office for the Coordination of Humanitarian Affairs, the number of road obstacles to movement in the West Bank continues to climb, currently standing at 529.

Barrier

18. On 9 July 2004, the International Court of Justice rendered an advisory opinion stating that the construction of the barrier "constitutes breaches by Israel of several of its obligations under the applicable international humanitarian law and human rights instruments".[2] On 20 July 2004, the General Assembly acknowledged the Court's advisory opinion in its resolution ES-10/15, and requested the Secretary-General to establish a register of damage. By its resolution ES-10/17 of 15 December 2006, the Assembly authorized the establishment of the United Nations Register of Damage caused by the Construction of the Wall in the Occupied Palestinian Territory. In accordance with the resolution, the Office of the Register of Damage and the Register of Damage itself are to be established and to become operational within six months of the adoption of the resolution.

19. The Government of Israel continued its construction of the barrier in the West Bank. By April 2007, approximately 58 per cent of the total planned 703 km of the barrier route had been completed.

III. United Nations response

20. In a modified political environment, United Nations agencies and programmes have continued to discharge their responsibilities, to the best of their abilities, in keeping with their respective mandates. In so doing, they have continued to interact with their Palestinian Authority counterparts to ensure that the needs of the Palestinian people are met as effectively as possible.

A. Human, social and community development

21. Throughout the reporting period, regular development cooperation activities, grounded in long-term donor investments, took a back seat to emergency and life-sustaining interventions. Nonetheless, where possible, United Nations agencies and

[2] *Legal Consequences of the Construction of a Wall in the Occupied Palestinian Territory*; see A/ES-10/273 and Corr.1.

programmes sought out opportunities to continue longer-term economic, infrastructure, capacity-building, and service delivery interventions in their respective sectors of specialization.

Education

22. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) continued operating 272 elementary and preparatory schools for refugee children, using the Palestinian Authority curriculum and additional instruction material on human rights. The Agency constructed 105 computer laboratories and employed 190 information technology teachers in the occupied Palestinian territory. Nine school counsellors supported over 23,000 students. In the West Bank, specific attention was devoted to awareness-raising about violence against children. UNRWA provided teacher training to 645 trainees at four training centres. A new training centre in Gaza was expected to accommodate an additional 118 trainees during 2007.

23. The United Nations Children's Fund (UNICEF), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and non-governmental organizations (NGOs) carried out the third Back-to-School campaign for the 2006/07 school year, reaching 1 million children. UNICEF provided mathematics and science kits to 500 schools. UNICEF also provided psychosocial counselling to some 60,000 children, and began a programme to strengthen education information management systems. UNESCO also assisted in the preparation of the new Five-Year Education Plan (2007-2011) of the Ministry of Education and Higher Education, while the Office of the United Nations High Commissioner for Human Rights (OHCHR) assisted the Ministry to implement the World Programme for Human Rights Education, focusing on primary and secondary level schools in the first phase. The World Food Programme (WFP) supported adult education among 13,400 of the poorest Palestinians, in order to enhance quality of life and income opportunities.

24. In higher education, the World Bank invested $10 million to improve the efficiency, quality, relevance and regulatory environment of tertiary education institutions. UNESCO managed a programme of grants and scholarships valued at over $15 million, distributed across 35 universities and colleges across the Occupied Palestinian Territory.

Health

25. In the light of many donors' inability to provide direct financing to the Ministry of Health during the reporting period, the World Health Organization (WHO) led a comprehensive stakeholder review of the health situation to identify options that would avert a health crisis in a weakening institutional context. WHO, the United Nations Population Fund (UNFPA) and UNICEF collaborated in producing the monthly report on health sector surveillance indicators, which monitored comprehensively the health condition of Palestinians, and the status of health services. WHO also invested $3.25 million in key areas such as nutrition, mental health, maternal and child health, communicable and non-communicable diseases and food safety. UNICEF met all Ministry of Health vaccine requirements under the national immunization plan for 2006, and provided essential equipment and training for 17 hospitals in the area of mother and child health, and trained 183

Ministry of Health staff in the integrated management of child health. WFP provided monthly food supplies to eight public hospitals in Gaza during the reporting period. Under a new programme, the United Nations Office on Drugs and Crime (UNODC) provided technical resources and training to the Ministry of Health on substance abuse and related HIV/AIDS prevention.

26. Health coverage for refugees was ensured by UNRWA, which continued to operate 55 health facilities across the occupied Palestinian territory at a cost of $48 million, and through which over 4.7 million consultations were carried out. UNRWA continued its Family Health Programme, immunizing some 99 per cent of refugee children, and delivering food supplements to pregnant and nursing women. Three new hospitals were contracted by the Agency to mitigate the impact of movement restrictions in the West Bank.

Agriculture

27. In the area of agriculture and rural development, the Food and Agriculture Organization of the United Nations (FAO) assisted in technical extension and training for agricultural production and marketing, in irrigation and greenhouse rehabilitation, land reclamation and water resource management, and in the improvement of livestock production, crops and orchards. FAO also supported the development of backyard gardening and cottage industries for women, and provided technical assistance in integrated pest management and for avian influenza preparedness and response. The United Nations Development Programme (UNDP) focused on rural land development, road construction, production inputs for farmers, irrigation schemes, and rehabilitation of damaged infrastructure, generating some 17,500 temporary rural jobs in the process. FAO, together with WFP, led in the production of agriculture and food security surveys. WFP also directly assisted some 94,000 of the poorest farmers with livelihood support.

Multi-sector assistance

28. The largest multi-sector portfolio was carried out by the World Bank. This consisted of 11 projects reflecting a multi-annual commitment of $177.8 million. Large components of this investment were directed towards municipal services, NGO support, and integrated community development. UNDP invested $30 million in community development programmes for local authorities in rural and urban areas, with an emphasis on empowering vulnerable groups.

29. The United Nations Development Fund for Women (UNIFEM) focused on strengthening community-based women's organizations and groups and made use of UNDP-built community infrastructure in 18 rural locations to provide specialized service and training for 10,000 rural Palestinian women. Activities included support for women-run enterprises, vocational training, initiatives to keep girls in school, and facilitating rural women's access to health and other services.

30. UNESCO assisted directly in the conservation and management of archaeological sites of universal value, such as Hisham's Palace in Jericho, and in urban planning for historic city centres in Nablus and Bethlehem. These activities were meant to protect the West Bank's threatened cultural landscape, for the benefit of local communities and businesses, and for recreational use.

31. During 2006 the United Nations Human Settlements Programme (UN-Habitat) undertook an urban sector profile study to identify the needs and priorities in the Palestinian urban communities and identified a number of potential projects in the various urban sectors. Based on a broad participatory process, the study identified priority interventions to be integrated into a long-term strategy for sustainable urban development. In addition, UN-Habitat began a $6.3-million project to build improved 100 housing units for poor women and their children, and to create income-generating projects in Hebron.

Youth

32. With an estimated 56 per cent of the Palestinian population under the age of 19, support for youth and adolescence was an integral part of United Nations activities during the reporting period. This acquired an added importance in view of the intensified significant strains on households, schools and the labour market. UNICEF supported a wide range of interventions, including life-skills training to over 250 Palestinian schools, psychosocial work, recreational activities, youth-oriented publications and television, and support for "child municipal councils" involving the participation of 16,000 adolescents. As part of this effort, UNFPA supported training of adolescents in peer counselling, and worked to expand young people's access to reproductive health and HIV/AIDS prevention training. For its part, UNDP focused on youth employment, by investing in the placement of 4,500 youth in jobs in the private sector and civil society organizations. For the first time, UNODC began working with Palestinian youth to strengthen awareness and prevention of drug abuse, and on drug-related HIV/AIDS prevention.

Protection, gender and human rights

33. The United Nations system intensified its efforts to ensure the protection of children, women and other vulnerable groups during the ongoing crisis. In November 2006, the United Nations High Commissioner for Human Rights visited the region and met with a wide cross section of Israeli, Palestinian and civil society interlocutors. She visited Beit Hanoun, where 19 civilians were killed during an Israeli military operation on 8 November 2006, and highlighted the need for stronger accountability by all parties within international human rights and humanitarian legal frameworks, particularly for civilian protection. She also paid a visit to Sderot, the Israeli border town with Gaza, which was frequently attacked with rockets fired from Gaza.

34. Throughout the reporting period, OHCHR led the efforts of the country team to strengthen the human rights components of United Nations analysis and programming, notably by facilitating inter-agency meetings and supporting joint planning and monitoring. OHCHR worked with United Nations agencies, civil society groups and community leaders on human rights training and advocacy events, and facilitated meetings of local NGOs with the Special Rapporteur on the situation of human rights in the Palestinian territories occupied since 1967, during his visits to the region in June and December of 2006.

35. The International Labour Organization (ILO) launched a regional project to integrate gender and rights perspectives in the analysis of informal economies in the Occupied Palestinian Territory and Arab States. In addition, several United Nations agencies, including UNIFEM, UNESCO, UNICEF, UNDP, UNRWA and WFP,

worked with local authorities and communities to strengthen the legal and social protection of children and women. These activities included support for enhanced legal defence services, training, awareness-raising, support for refugee and non-refugee women centres, and investment in local research and statistical surveys on domestic violence in the occupied Palestinian territory.

Safety and well-being of children

36. The rights of Palestinian children to education, health, nutrition and play continued to be challenged. Data from the Palestinian Family Health Survey 2006 reveal that 10 out of 100 children under the age of five suffer from stunting. The proportion is higher in Gaza, at 13.2 per cent (almost 30 per cent of children in northern Gaza), compared to 7.9 per cent in the West Bank. The prevalence of violence in homes, schools and neighbourhoods remained an issue of particular concern. Restrictions on movement also continued to make access to health facilities, schools and extra-curricular activities difficult. School enrolment data revealed a 2-per-cent decline in the total enrolment rate during the 2005/06 scholastic year. Some 4.2 per cent of children ages 5 to 14 were working in 2006.

37. As noted previously, 146 Palestinian children were killed during the reporting period, far more than the toll for the previous reporting period, and many more injured by live fire, heavy artillery, tank shells, shrapnel and missiles. As noted above, over 23,000 refugee children and youth in the occupied Palestinian territory received psychological counselling and support through UNRWA, and UNDP-supported programmes aimed at increasing the resilience of children and youth who suffer from post-traumatic stress disorder and other forms of trauma. UNICEF and its non-governmental partners ran 12 psychosocial emergency teams to address the conflict-related distress of children and their caregivers. In total, 60,000 children attended UNICEF debriefing sessions and 30,000 caregivers were trained.

38. In response to high levels of violence against children and women in homes, schools and communities, UNICEF and its governmental and non-governmental partners have implemented a comprehensive programme since 2004, including monitoring, law and policy development, awareness-raising, capacity-building and the setting up of response systems. UNICEF also supported the development of a draft juvenile justice law and a Palestinian child rights law. In addition, UNICEF provided support to the Ministry of Detainees Affairs in building a comprehensive database on Palestinian children held in Israeli detention. UNICEF and the Ministry of Planning also continued establishing a national child protection monitoring system.

Targeted social assistance

39. Responsibility for providing targeted social assistance to non-refugees in the occupied Palestinian territory lies primarily with the Palestinian Ministry of Social Affairs Special Hardship Cases Programme. In 2006, however, the management and delivery capacity of the Ministry was considerably weakened. In this context, WFP supported the Ministry to ensure monthly food deliveries to a caseload of 382,269 recipients. At the same time, the World Bank began implementing a project aimed primarily at strengthening the institutional capacity, transparency and effectiveness of the Ministry programme. Beginning in the second half of 2006, the cash

component of the Special Hardship Cases Programme was supported primarily through the European Commission-led temporary international mechanism.

40. UNRWA continued to target food distributions and cash support to 32,000 disadvantaged refugees in the West Bank and 87,000 in Gaza on a quarterly basis, at a cost of $14.6 million in 2006, supplemented by significant emergency distributions. UNRWA also worked to reintegrate persons with disabilities into their communities, subsidized the costs of prosthetic devices, and supported home-based rehabilitation and employment of persons with disabilities.

B. United Nations system support to Palestinian institutions

41. As noted, the reporting period saw severe strains placed upon Palestinian public institutions. These resulted in a fiscal crisis, recurring labour unrest and an overall weakening of public service delivery capacity, precisely at a time when the intensification of conflicts on the ground caused a rapid growth in social and economic needs, particularly in Gaza. Donor contact policies, moreover, had an important impact on the United Nations efforts to continue normal capacity-building support. While some capacity support was maintained in specific areas, this combination of factors caused a partial shift towards short-term emergency support for public health, education, and municipal and social services. Together UNDP, WHO, UNICEF and UNRWA intensified their efforts to procure fuel, transport, equipment and stocks essential for the operation of clinics, schools and solid waste removal and water treatment. In an effort to offset the impact of the fiscal crisis, UNRWA expanded its food basket coverage to include 23,000 families of Palestinian Authority employees no longer receiving their full wages. Sixty-five per cent of WFP programmes were implemented through Palestinian ministries and municipalities.

42. A key area of emergency support was in health service delivery. Working together, WHO, UNFPA and UNICEF supported the Ministry of Health to finalize its essential drugs list and to develop an essential drugs information mechanism. They assisted the Ministry to determine needs and inventories, and to liaise with donors on financing essential drugs procurement. UNDP assisted the Ministry in upgrading its information technology capacity with new software and equipment and to establish new standard operating procedures. In education, UNICEF adopted a "dual-use" supply strategy of directing essential school supplies to both emergency and non-emergency areas of the Occupied Palestinian Territory.

43. Another important area of United Nations support to a weakened administration was in the area of central aid management and sector coordination. Several United Nations agencies, including FAO, WHO, UNESCO and WFP, served as lead technical advisers to sector working groups, crucially bridging the gap between external donors and Ministries in an environment of restricted international contact policies. UNDP supported the Ministry of Planning to upgrade its aid tracking database. The United Nations Conference on Trade and Development (UNCTAD) provided support to the Ministry of Finance to bridge the central budget to the medium-term development plan. The Office of the United Nations Special Coordinator for the Middle East Peace Process provided the Ministry of Planning with strategic and operational planning support in the area of aid management.

Capacity-building

44. At the same time that United Nations agencies acted to respond quickly to immediate institutional needs, several longer-term capacity-building programmes were maintained. UNDP deployed 24 expatriate Palestinian experts of the Transfer of Knowledge through Expatriate Nationals programme and 73 United Nations Volunteers to strengthen Palestinian capacity across a broad range of institutions and, at the local level, supported civil society dialogue with municipal officials, local councillors and offices of the Ministry of Local Government.

45. UNCTAD continued its efforts to assist in modernizing Palestinian customs systems at the Rafah border crossing, while the United Nations Office for Project Services (UNOPS) provided training for border security at the Karni commercial crossing point between Israel and the Gaza Strip, and assisted in a major infrastructure project to improve security and efficiency at the crossing within the context of the Agreement on Movement and Access. WFP trained 60 staff from the Ministries of Social Affairs and Agriculture in food security, logistics, programme management, monitoring and beneficiary targeting. FAO continued to provide technical advice and training to the Ministry of Agriculture and other partners in the areas of agriculture and food security. In the area of culture, UNESCO provided specialized site management training for officials of the Ministry of Tourism and Antiquities and, using GIS mapping systems, assisted local authorities to develop an inventory of cultural heritage sites, features and tourist routes across the Occupied Palestinian Territory.

46. Finally, the United Nations continued to support the rule of law sector with technical and infrastructure assistance. UNIFEM provided human rights training for 10 female local councillors and 30 female police officers. UNDP completed the construction of the Khan Younis courthouse, with plans to begin similar work in Jenin, and initiated a project to automate the operations of the Supreme Judicial Council. UNDP also assisted in the construction of presidential premises in Ramallah.

C. Private sector development

47. In February 2007, the World Bank conducted an investment climate assessment that confirmed that shrinking market access and lack of free movement in the occupied Palestinian territory posed the main constraints to growth for Palestinian enterprises during the reporting period. The study found that private sector recovery would be directly contingent on (a) restoring movement and access; (b) developing private enterprise capabilities; and (c) improving the investment climate. In this context, the Bank undertook a major feasibility study on the export of commercial goods via the Rafah border crossing with Egypt.

48. In 2006, UNCTAD worked directly with the private sector to establish the Palestinian Shippers' Council in order to facilitate trade and reduce import/export transaction costs. Together with ILO, UNCTAD provided training to build entrepreneurial capacity for 123 small and medium business leaders, including 16 women. ILO also continued to provide technical support to Palestinian trade unions and to the Federation of Palestinian Chambers of Commerce and Industry. Finally, as a measure to stimulate the private economy, WFP purchased $16 million of food

commodities (wheat, oil, salt) from local suppliers, including 1,600 small-scale olive farmers of the West Bank.

D. United Nations system emergency assistance

49. The reporting period witnessed an intensification of what might be called an ongoing emergency in the Occupied Palestinian Territory, generated by a combination of closures, conflict, fiscal crisis and institutional degradation. In addition, the reporting period was punctuated by a number of specific emergency developments in the Gaza Strip that required rapid, coordinated responses by the United Nations, the International Committee of the Red Cross (ICRC) and the NGO community. Three events stand out. On 28 June 2006, the Gaza central power plant was severely damaged by an Israeli air strike, immediately depleting some 60 per cent of the local power supply. In response, the United Nations system delivered a total of 650,000 litres of fuel for Gaza Strip municipalities and refugee camps to operate essential public services, including the provision of drinking water and the removal of solid waste. The plant's service was restored to pre-June levels with technical and financial support from Egypt and Sweden.

50. On 8 November 2006, the municipality of Beit Hanoun came under Israeli artillery attack after the firing of rockets by Palestinian militants. Some 19 Palestinians were killed and 52 injured when shelling destroyed a residential building. In response, United Nations humanitarian agencies successfully negotiated access to the conflict zone, and provided emergency water, food and medical access in support of those among the 50,000 residents that were most directly affected. On 27 March 2007, a breach in Gaza's main sewage treatment plant in Beit Lahia caused severe flooding in surrounding communities, killing 5 people and affecting some 700 families. The United Nations was the first to appear on site to support the evacuation of residents, to clean the area, and to coordinate with ICRC, NGOs and the Palestinian Civil Defence Service the provision of tents, water and food supplies to evacuees.

Emergency food assistance, cash support and job creation

51. Beyond these specific events, the United Nations remained at the forefront of overall humanitarian assistance provision during the reporting period. Restricted donor contact policies, reflected in a donor preference to "by-pass" the Palestinian Authority Government in the transfer of aid, resulted in the growth of food and cash assistance programmes in particular. Under the United Nations Consolidated Appeal for 2006, over $274 million was received by the United Nations and NGOs, which directly targeted the Palestinian population. That represented 70 per cent of the original request.

52. UNRWA and WFP were the largest humanitarian providers during the reporting period. UNRWA raised $145 million for emergency programmes, including food distributions to support some 70 per cent of the total registered refugee population. Given the depth of the crisis, UNRWA increased its emergency food caseload in mid-2006. Three million work days were created for 53,000 unemployed refugees, for periods of 1 to 12 months, at an average wage subsidy of $14 dollars per day, and benefiting 400,000 refugees overall. WFP delivered 83,000 metric tons of food assistance to over 640,000 non-refugee recipients, at a cost of

$44 million. WFP food-for-work programmes covered an additional 30,000 people during the reporting period. WFP also provided food supplements to municipal workers and fishermen in the Gaza Strip, benefiting some 8,000 family dependants.

53. UNDP implemented emergency job creation programmes with a longer-term developmental impact, including rehousing, road repair, agricultural rehabilitation, and solid waste management in Gaza. Some 180,000 work days were created with an investment of about $12 million. An additional 100,000 work days were created in the West Bank through small-scale infrastructure projects, valued at some $14 million received through the United Nations Consolidated Appeal. UNIFEM piloted a food security initiative in rural areas of the Gaza Strip, benefiting 65 women, and promoted the use of women centres for determining the beneficiaries of food-for-work and food-for-training initiatives. Together, FAO and WFP conducted a comprehensive food security and vulnerability analysis, which provided a new food security baseline for the occupied Palestinian territory, and the basis for a new food security monitoring system.

Emergency health support

54. The United Nations focused its efforts on ensuring the continuity of health service provision as the economic and institutional crisis deepened. WHO mobilized over $13 million to support the provision of essential drugs and supplies to primary health-care services across the occupied Palestinian territory. UNRWA opened its clinic and hospital services to non-refugee users, and operated five mobile clinics to assist isolated communities in the West Bank, including those affected by the barrier, treating more than 11,000 patients each month. UNICEF worked to ensure that basic supplies were procured or replenished. Working together, WHO, UNICEF and UNFPA established a computerized system within the Ministry of Health to strengthen and modernize its management of drug supplies. UNICEF provided emergency drinking water and improved water and sanitation facilities to 33 clinics and 3 hospitals in the Gaza Strip.

55. Owing to increased stress and trauma experienced by the civilian population, United Nations agencies redoubled their emergency efforts in psychosocial care. During the reporting period, UNRWA's 310 counsellors conducted some 14,000 group sessions with over 237,000 participants, and 10,000 people received individual counselling. Likewise, UNICEF deployed 12 psychosocial teams across the West Bank and Gaza Strip to counsel over 40,000 children and supported secure recreational activities for over 35,000 more. UNIFEM provided counselling services to 2,000 women and medical staff in the West Bank and Gaza Strip.

Emergency education support

56. As with health, education services also came under severe stress during the reporting period. Primary and secondary schools were affected by teachers' strikes in the West Bank from the opening of the school year, and inadequate financing resulted in shortages of essential school supplies. With international support, however, lost ground was regained towards the end of 2006. Most schools offered catch-up sessions to avert a repeat of the academic year by affected students.

57. UNRWA created 1,500 new temporary teaching positions under its job creation programme to mitigate declining education standards. In addition, UNICEF provided emergency water supplies to all 343 public primary and secondary schools,

and improved water storage and distribution facilities for some 70 schools. Together with the Palestinian Red Crescent Society, UNICEF also provided mine-risk education to 43,668 children and 6,939 adults. WFP contributed to adult education among 13,400 of the poorest non-refugees through food-for-training activities, and initiated a pilot in-school feeding programme for 10,000 children in the West Bank.

Emergency agricultural support

58. Agriculture has traditionally played the role of employer of last resort in times of crisis. Together with the Ministry of Agriculture and other partners, FAO implemented a total of seven projects focusing on recovery of crop and animal production among the most needy farming families; capacity-building and support services for farmers; support for backyard gardening and cottage industry for women; and emergency assistance for preparedness and response to avian influenza outbreaks. FAO directly assisted 1,500 poor farming families, or about 10,000 beneficiaries.

Emergency infrastructure support

59. Primary infrastructure damage during the reporting period resulted from Israel's extended military operation in Gaza between July and September 2006. UNDP moved quickly to produce a rapid assessment of damages, copies of which were widely circulated, including at the Stockholm donor conference of 1 September 2006, and served as a common reference point for donor planning and subsequent responses. UNRWA rehabilitated 1,541 houses and shelters and, critically, repaired the Salah ed-Din Bridge on the main north-south route in the Gaza Strip. UNRWA opened new shelters and offered space and care at its schools for several thousand refugees fleeing from military operations over the summer. UNICEF focused on the water and sanitation sectors, restoring residential and municipal water networks and storage facilities covering 21,000 people in the West Bank and Gaza. In addition, WFP allocated 60 per cent of food-for-work activities to the emergency infrastructure repair of roads, municipal buildings, pavements and other public assets.

E. Coordination of United Nations assistance

60. In May 2006, the Secretary-General appointed a Deputy Special Coordinator at the senior executive level to ensure better coordination within the system. Adapting from the Integrated Mission model, the Deputy was appointed also as Humanitarian Coordinator for the Occupied Palestinian Territory, and mandated to serve as Resident Coordinator. The Deputy Special Coordinator-Humanitarian Coordinator/Resident Coordinator oversaw the preparation and launch of the 2007 Consolidated Appeal, and, with support from the Office for the Coordination of Humanitarian Affairs, led efforts to raise funds, negotiate humanitarian access, and facilitate the implementation of programmes in the occupied Palestinian territory, and in Lebanon during the 2006 conflict. With the collaboration of UNDP, the Deputy Special Coordinator also renewed engagement between the United Nations Development Group Office and the United Nations country team locally.

61. Coordination was effectively carried out by United Nations sector leads in health, education, food security and human rights. Following the visits of the Emergency Relief Coordinator and the High Commissioner for Human Rights, United Nations agencies formed a protection sector group, covering issues of

protection, the rule of law, and accountability, under the stewardship of the Office for the Coordination of Humanitarian Affairs and OHCHR. Multi-sector coordination by UNDP, WHO, FAO, WFP and UNICEF proved especially effective in organizing the United Nations response and follow-up to the avian influenza epidemic in the first half of 2006.

62. Responding to increasing donor concerns about the humanitarian situation on the ground, the Office for the Coordination of Humanitarian Affairs coordinated the development of the monthly Humanitarian Monitor Report. The Monitor provided an exhaustive and comprehensive analysis of changing socio-economic patterns and public service delivery capacities, and received a very positive response from the donor community. By April 2007, the United Nations Consolidated Appeal, valued at over $450 million, received funds amounting to 18 per cent of stated requirements.

Humanitarian access

63. With a hardening of Israel's security posture during a period of intensified violence, passage of United Nations staff between the Gaza Strip and Israel, and between the West Bank and Jerusalem, was subject to unprecedented restrictions, particularly for Palestinian staff. To address the issue, senior United Nations officials, with support from key donor countries, engaged in sustained consultations and démarches with the Government of Israel, at local and Headquarters levels. The Secretary-General highlighted problems of United Nations humanitarian access with the Prime Minister and key Israeli Cabinet members during his visit to the region in March 2007. At the time of writing, the issue awaited resolution.

United Nations media and public information activities

64. The main vehicle for coordinating the United Nations media and public information activities during the reporting period was the inter-agency Advocacy and Public Information Committee. Serving under the United Nations country team structure, the Committee coordinated two major inter-agency press statements on the closure and military operation in the Gaza Strip, and organized a major media event to coincide with the Palestinian olive harvest. In addition, specialized United Nations agencies led advocacy and media efforts in their specific areas of focus, including public health, the protection of civilians and children, cultural heritage and press freedom.

IV. Donor response to the crisis

A. Emergency budget and fiscal support

65. As noted, the majority of donors withdrew direct budget support to the Palestinian Authority in March 2006, following the formation of a Hamas-led Government. The withdrawal of budgetary support, combined with the decision of the Government of Israel to withhold clearance revenues collected on behalf of the Palestinian Authority, meant that by May 2006 Palestinian Authority monthly revenues had fallen to around a third of 2005 levels. The temporary international mechanism delivered funds to pay social allowances, and meet the procurement and recurrent costs of key non-security social services. By April 2007, the mechanism had disbursed some $330 million. Donors also relied increasingly on established

humanitarian channels, most notably the United Nations and NGOs, which together delivered over $460 million directly to Palestinian recipients.

B. Support to Palestinian reform

66. In the light of restrictive donor contact policies, much of the Palestinian reform agenda was put on hold. Security sector reform was complicated in a context where the main international interlocutor on security, the United States, was unable to engage with the Palestinian Authority Government. Support to security services reporting to the Office of the President, and to other aspects of the Office, however, continued.

67. Some of the most important reform gains of the past few years, notably in the field of public financial management, were considered lost during 2006. The Single Treasury Account and the national budget ceased to operate, as did legislative reform efforts. Donors nonetheless encouraged ongoing discussions about reform strategy, focusing on short- and medium-term objectives that could be supported if political conditions changed. With the formation of the Government of National Unity some began to re-engage, albeit variably, indicating the possibility of reviving the reform agenda.

C. Donor coordination

68. Donor contact policies limited the effectiveness of existing coordination structures during 2006. These coordination structures had been designed in 2005 to integrate the Palestinian Authority into donor coordination and decision-making processes, in accordance with the 2005 Paris Principles. The United Nations, which was less constrained than many of the donors in its contact with Palestinian officials, played a critical role throughout the year in maintaining links between the donor coordination mechanism and the Palestinian Authority at both central and sector coordination levels. This helped to maintain the operation of core services of the Palestinian Authority, such as in public health and social welfare. Following the formation of the Government of National Unity, the United Nations began to work closely with key partners to re-energize donor coordination.

V. Looking ahead

A. Political, economic and social challenges

69. The formation of the Palestinian Government of National Unity transformed the political landscape for Palestinians, creating opportunities for greater, though still constrained, contact between the international community and the Palestinian Authority.

70. Conditions for most Palestinians nonetheless remained extremely difficult. While inter-Palestinian factional violence subsided in early 2007, the situation in Gaza remained tense. Bringing internal violence under control appeared as a major test of the new Government, as did effective actions to prevent militant attacks against Israeli targets. The economy remained severely depressed, and appeared set to remain under stress in the light of ongoing commercial closures.

71. The fiscal crisis of the Palestinian Authority, already critical by the end of 2005, risked threatening its very viability in the first half of 2007. Even with the resumption of customs and value-added tax transfers, a Palestinian budget deficit loomed at some $80 million every month.

72. Ensuring the resumption of negotiations towards a permanent resolution of the conflict remained a major challenge for both parties. To allow sustained progress on the political track, the Palestinian Government would need to show progress in the reduction of violence against Israel. For its part, the Government of Israel must cease settlement construction and remove outposts. Both Israeli and Palestinian Governments also face domestic difficulties. The international community, including the regional countries, can contribute usefully, as illustrated by the re-energizing of the Quartet and the Arab Peace Initiative.

B. Unmet and emerging requirements

Access

73. While United Nations agencies continued to negotiate for unimpeded humanitarian access, the Palestinians experienced an increasingly restrictive closure regime that directly undermined their ability to engage in economic activity. The effects of these closures could not be reversed with increased humanitarian assistance. Development initiatives to improve the Palestinian economy were expected to have limited impact in an environment where intense access restrictions prevailed. The reporting period showed that despite substantially increased levels of aid, socio-economic indicators have worsened. Without normalization of movement of people and goods into and out of Gaza and East Jerusalem, and within the West Bank itself, poverty and unemployment were expected to rise and aid dependency to grow.

Youth and education

74. For many years, Palestinian enrolment rates were applauded as among the best in the region. The sector came under considerable strain during the reporting period, raising concerns about the quality of education services. There was growing demographic pressure for more classrooms, and for accelerated teacher training. In isolated areas, such as the Jordan Valley, schools remained dilapidated, lacking basic water and sanitation facilities. Remedial education and more focus on girls' schooling was required, particularly in areas where closures were most severe.

Women

75. In addition to externally imposed economic and movement restrictions, social pressures faced by women often further impeded their mobility and access to information, resources and services. Palestinian women tended to be an underutilized human resource in employment generation programmes, despite being under increasing pressure to contribute to household incomes. A community-based approach offered an opportunity to generate employment for women through locally based initiatives. In addition, more needed to be done to address the psychosocial health of women, not only as caregivers, but as individuals with particular needs and pressures.

Health

76. Concerns grew that the Palestinian Authority financial crisis would seriously affect health sector performance over the longer term. Historically, about half of the Ministry of Health budget had been covered by international aid through both budgetary support and projects implemented through the Ministry. Continued funding restrictions of the kind witnessed during the reporting period created a real risk of deterioration in health service delivery and reform.

VI. Conclusion

77. During the reporting period, the crisis in the Occupied Palestinian Territory deepened and continued to claim lives. The combination of continued conflict, closures, fiscal crisis and withholding of Palestinian revenues by the Government of Israel had immediate effects: incomes dropped, and poverty and food insecurity worsened. Gaza saw a virtual collapse in law and order. Yet the situation could have been worse, were it not for the rapid interventions by the United Nations system, NGOs and the temporary international mechanism, which together disbursed upwards of $800 million in emergency food, cash and budget support.

78. As it moved into its second quarter, the year 2007 witnessed some modest improvements in overall policy setting. Dialogue between Israel and the Palestinians resumed, and enabled a substantial transfer of customs and tax revenues in early January, as well as improvements of commercial flows at the Karni crossing. Most significantly, the new Palestinian Government of National Unity was formed, leading to a selective re-engagement by some donors. The appointment of Salaam Fayad to the post of Finance Minister appeared to offer new options for international re-engagement. Critically, the Palestinian Government of National Unity had an immediate effect of decreasing internal factional fighting, though the level of violence remained critical in the Gaza Strip, as exemplified by the abduction of a British journalist, who should be released immediately and safely. For further progress to be possible, law and order should be fully restored in the Occupied Palestinian Territory, facts on the ground that prejudge final status issues should be avoided, and access and movement for the Palestinians should be facilitated. I reiterate my calls on the Government of Israel to ease restrictions and resume payment, through an appropriate mechanism, of the Palestinian tax revenues it collects, and on the Palestinian Authority to respect fully the three principles of the Quartet. Moreover, the Israeli soldier who was captured in June 2006 must be released.

79. How resilient these encouraging but modest steps will prove to be in the coming period, and whether they will translate into concrete, lasting improvements for the majority of Palestinians, will depend on the willingness of the parties to meet their respective commitments and of the international community to encourage them along this path. The United Nations will continue to monitor events closely, in order to respond to urgent needs, and to capitalize on opportunities for development as they arise. In doing this, it will seek to realize its broader aim, which is also that of the Quartet and the entire international community: a just, lasting and comprehensive peace in the Middle East, based on Security Council resolutions 242 (1967), 338 (1973), 1397 (2002) and 1515 (2003), and the establishment of a sovereign, democratic, viable and contiguous Palestinian state, living side by side in peace with a secure Israel.

United Nations A/62/83–E/2007/67

General Assembly
Economic and Social Council

Distr.: General
21 May 2007

Original: English

General Assembly
Sixty-second session
Item 73 of the preliminary list*
Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations, including special economic assistance

Economic and Social Council
Substantive session of 2007
Geneva, 2-27 July 2007
Item 5 of the provisional agenda**
Special economic, humanitarian and disaster relief assistance

Strengthening emergency relief, rehabilitation, reconstruction, recovery and prevention in the aftermath of the Indian Ocean tsunami disaster

Report of the Secretary-General***

Summary

Two and a half years after the 2004 Indian Ocean tsunami, progress is apparent across the affected region: affected populations are living in newly constructed homes, children are back in school, and hospitals are being rebuilt and repaired. Yet while progress in physical reconstruction efforts is palpable, many complex challenges remain as the recovery efforts across the region continue. Each affected country faces different challenges, and thus the picture of progress is an uneven one, but common to all countries is the realization that it will take many years for individual households, and the wider economies on which they depend, to recover from the most destructive disaster caused by a natural hazard in recorded history.

* A/62/50.
** E/2007/100.
*** The submission of the report was delayed because of the need for the updating of data (through 18 May 2007) and for additional technical and substantive consultations.

07-35212 (E) 190607

Contents

		Paragraphs	Page
I.	Introduction	1–2	3
II.	Impact of the tsunami and progress of relief efforts	3–60	3
III.	Status of implementation of recommendations from the 2006 report of the Secretary-General	61–85	13
	A. Coordination in the humanitarian and recovery phases	61–65	13
	Dedicated field-based recovery management structures	61–65	13
	B. Different models of government humanitarian and recovery institutions	66–68	15
	1. Continued reform of recovery institutions	66–67	15
	2. Assessing damages and needs	68	15
	C. Transparency and accountability to donors, including financial tracking and reporting, monitoring and evaluation, and measuring progress	69–80	16
	1. Support for the Development Assistance Database	75	17
	2. Support for the Tsunami Recovery Impact Assessment and Monitoring System	76–79	17
	3. Making information on accountability available to civil society	80	18
	D. Risk reduction, tsunami early warning, and incorporation of prevention in development planning	81–85	18

I. Introduction

1. On 26 December 2004, an earthquake off the western coast of northern Sumatra, measuring 9.0 on the Richter scale, triggered an intensely destructive tsunami, which affected 12 countries, taking 186,983 lives. Hundreds of thousands of people were displaced, and over 3 million persons were affected, including 1.4 million who lost their sources of livelihood. The tsunami had the greatest impact on rural coastal communities, many of which were already poor and vulnerable and had few livelihood options. The hardest-hit and most severely affected countries were India, Indonesia, Maldives, Sri Lanka and Thailand. Malaysia, Myanmar, Seychelles, Somalia and the United Republic of Tanzania were also affected.

2. The present report is prepared as a follow-up to General Assembly resolution 61/32. It provides a brief overview of the progress achieved and the challenges lying ahead in India, Indonesia, Maldives, Sri Lanka and Thailand. It focuses primarily on recovery efforts in key sectors (housing, health, education and livelihoods) and also on coordination in the humanitarian and the recovery phases, models of government humanitarian and recovery institutions, transparency and accountability to donors as well as risk reduction, tsunami early warning, and incorporation of prevention in development planning. It does not purport to cover the field, in terms either of progress achieved, which has been substantial in all five countries, or of the challenges that recovery actors will continue to face.

II. Impact of the tsunami and progress of relief efforts

3. During the course of recovery efforts, recovery partners and local communities made enormous strides towards rehabilitation and reconstruction. Across the five most affected countries, the progress was very evident by the end of 2006, with some 150,000 houses built or repaired, nearly 1,000 schools built or repaired, and approximately 430 health centres constructed. Moreover, the affected countries were fulfilling the promise of building back better in many areas, with safer houses under construction, improved education and health facilities, and important steps forward on disaster risk reduction.

4. Much of this progress has been achieved in the face of serious obstacles, such as logistic hurdles, administrative constraints, lagging capacity, coordination challenges, rising inflation and the resurgence of the conflict in Sri Lanka. In 2007 and beyond, the recovery process will confront its share of these and other challenges, ranging from operational hurdles, with respect, for example, to speeding up progress on permanent home building, to policy issues, such as concerns about ensuring equity in the assistance process.

5. A continuing challenge for leading agencies has been to link the different ongoing recovery processes, such as needs assessments and access to critical information, and capacity-building of local government among others. Instead of supplying critical information, many of the tsunami systems provided unanalysed data on inputs which were not linked back to ongoing needs assessment. Moreover, in the most affected tsunami countries, many implementing agencies' planning systems were and continue to be based on original needs assessments and commitments made in January 2005, despite the fact that needs have changed considerably in many sectors.

India

6. The tsunami affected more than 1,400 miles of India's southern coastline. Across some 1,089 villages, the death toll was 12,405, and close to 2 million people were affected. Nearly 650,000 people had to relocate to safer places after the disaster. The State of Tamil Nadu was the most severely affected, followed by the Andaman and Nicobar Islands (death toll 3,513). Total needs were assessed at $2.1 billion. Across all areas hit, it is estimated that one third of the people affected were from the traditionally underprivileged and socially excluded groups, such as the Dalits and tribal people.

7. Across India's affected areas, 169,753 houses are in need of repair or rehabilitation. To date, 27,845 homes have been rebuilt. The Government of the State of Tamil Nadu announced at the beginning of 2007 that an additional 50,000 houses within 1,000 metres from the coastline or 200 metres within the backwaters, which are vulnerable to disasters, would be rebuilt in a hazard-proof manner.

8. Rehabilitation in the education sector has concentrated on rebuilding the 360 primary and secondary schools that were destroyed or damaged. To enhance education and access to education, quality education packages, which include new curricula, materials for teachers, furniture and supplies, are being introduced in the affected areas. Teachers have been trained so that they can successfully implement the quality education package. In the State of Tamil Nadu, as of April 2007, a total of 138,588 children and 3,472 teachers had benefited from this initiative.

9. Health infrastructure was also significantly affected. In addition to activities undertaken to reconstruct such facilities and provide medical supplies, there are several other initiatives under way that aim to improve the quality of health care and address the health issues emerging in this post-disaster situation. One of the initiatives currently on its way to completion entails the training of health workers throughout the affected States and districts in integrated management of neonatal and childhood illnesses.

10. The traumatic impact of the tsunami on the minds of its victims has called for psychosocial support, whose objective has been to help people "normalize" their lives as early as possible. To this end, a community-based approach has been developed, with people trained as community-level workers living within the community. The community-level workers have provided support in the form of counselling, assisted with social needs and referred individuals for further care to the health system. The 13,000 workers who were trained have assisted a total of 275,000 people.

11. The prevalence of HIV/AIDS in States affected by the tsunami is one of the highest in India. In this context, the United Nations, in partnership with key stakeholders, is implementing projects in tsunami-affected districts. The projects address the immediate needs of those affected, particularly women, girls and boys at risk of being trafficked, as well as trafficking survivors. One thousand village vigilant committees have been strengthened and sensitized through awareness programmes on trafficking and HIV/AIDS. In the "Tsunami out-of-school youth programme", a total of 4,233 peer educators received training on HIV/AIDS. In addition, Tamil Nadu State AIDS Control Society reached 95,000 pregnant women through the preventing mother to child transmission services.

12. Livelihood recovery efforts have focused on re-establishing prior economic activities and developing alternate livelihoods. Beneficiaries are receiving vocational training and small-enterprise support. Wage-employment and self-employment opportunities are being created for over 5,000 youth, women and disadvantaged people.

13. Disaster risk management is an integral part of reconstruction and rehabilitation in the tsunami-affected States in India. Efforts are being made to link systematic and sustainable disaster risk management effort at the district, State and national levels. These have included vulnerability mapping and coastal management planning, construction of cyclone shelters and of cyclone- and flood-proof housing, and strengthening of early warning capacities of Governments and communities. So far, 2,560 members of community early warning teams have received training on how to disseminate early warning messages.

14. Policy support and coordination, a focus area in the United Nations recovery framework, constitute a mechanism for building improved coordination and information-sharing among stakeholders at various levels in all processes of tsunami relief, rehabilitation and recovery. In Tamil Nadu the creation of a State-level coordination and resource centre, along with a network of district-level centres, was key in enhancing partnerships in aid coordination between government and civil society organizations.

15. The tsunami had unprecedented consequences for fragile natural ecosystems along the coasts and in the islands of the region. The United Nations adopted a two-phase approach to examining this issue within the context of rapid coastal development, increasing resource needs and changing legislative mechanisms, while also devising medium- and long-term interventions designed to ensure the long-term security and sustainability of the coastal environment and its services.

16. The United Nations facilitated a midterm review of tsunami recovery in Tamil Nadu, the most affected State in India as noted above. The "stocktaking" exercise analysed progress, issues and lessons in 12 sectors of tsunami recovery, including the cross-sectoral issue of social equity, and resulted in a Government-released report outlining recommendations and accountabilities for the next phase of tsunami recovery, which will focus more on long-term programmes in areas like livelihoods restoration and disaster risk management. Important steps will also be taken in the promotion of environmental sustainability and the strengthening of local governance and rights-based development in affected districts.

Indonesia

17. The combined destruction from the December 2004 earthquake and tsunami, and the subsequent earthquake on Nias Island in March 2005 was immense. More than 130,000 people were killed in the disasters, with as many as 37,000 still listed as missing. The livelihoods of at least 500,000 people were affected.

18. Financing needs to cover the long-term recovery of Aceh and Nias overall are now calculated at $8 billion, which includes $1.2 billion for inflation and $1.9 billion for estimated needs in building back better in Aceh and Nias. To date, a total of $8 billion has been pledged, of which $5.9 billion has already been

committed to specific projects. Expenditures stood at $2.2 billion at the end of 2006, with an average of $100 million per month having been spent in 2006.

19. The United Nations and partners continued their key activities focusing on (a) support to the Rehabilitation and Reconstruction Agency for Aceh and Nias and local governments in strengthening capacity to manage and coordinate recovery activities through coordination mechanisms at various administrative levels, specifically in support of the regionalization of recovery and reconstruction; and (b) coordination support to the United Nations system and recovery community in Aceh and Nias, in particular through the Area Security Management Team, the United Nations Team, the Inter-Agency Standing Committee, and the common service user groups. The United Nations Recovery Framework for Aceh and Nias was finalized in October 2006, and is undergoing further revisions to reflect the priorities of the new government in Aceh.

20. With its need for 120,000 new permanent houses and repairs to an additional 85,000, the housing sector has presented the greatest challenge in Indonesia. The fact that, during the first half of the year 2006, more than 65,000 internally displaced persons were moved out of tents and into 12,000 transitional shelters, significantly improving the living situation for tens of thousands still awaiting permanent homes. By the end of February 2007, 54,306 on-off-budget houses had been completed, representing approximately 50 per cent of the 120,000 target.

21. In social services, such as education and health, water and sanitation, work has focused on both physical reconstruction and improving quality. The disaster severely impacted the education sector, killing 2,500 teachers and destroying or damaging approximately 2,000 schools. To date, 379 temporary facilities were constructed and 623 permanent schools have been rebuilt or rehabilitated, including new water and sanitation facilities for schools. In Aceh, 5,100 teachers have been trained, and in Nias nearly 300 have received training.

22. As regards the health sector, which saw 122 buildings damaged or destroyed, 305 health facilities, including three hospitals and satellite health posts and health centres, have been rebuilt or rehabilitated in Aceh, and an additional 19 in Nias. Figures on reconstruction exceed the number of health facilities affected by the disaster because many health centres that were damaged during the war in Aceh are also slated for rehabilitation. In addition to reconstruction, there is a continuing need for provision of medical supplies and skilled personnel to staff these new facilities, and the Rehabilitation and Reconstruction Agency for Aceh and Nias is providing access to training and education so as to develop capacity and provision of health services.

23. In a sign of progress in reducing potential risk from disaster, over 33 kilometres of coastal protection, such as sea walls, and 24 kilometres of saltwater dykes have thus far been constructed. There are concerns, though, regarding building quality and the reconstruction of some communities too close to the coast. On the other hand, increased community awareness and improved refuge areas will contribute to safer communities.

24. The tsunami had a massive impact on livelihoods. In addition to the fact that the productive sector incurred $1.2 billion in damage, 100,000 small business owners lost their sources of livelihood, 4,717 boats were lost, 20,000 hectares of fish ponds were destroyed, 60,000 farmers were displaced, and close to 70,000

hectares of agricultural land were damaged. Livelihoods restoration is visible, with over two thirds of the male labour force back to work in both rural and urban areas. In addition, 4,420 boats have been distributed, and 6,800 hectares of fish ponds and more than 50,000 hectares of agricultural land have been rehabilitated. Cash assistance was provided to more than 1,700 separated/unaccompanied children and their caregivers in order to boost the economic capacity of the foster families.

25. The peace process in Aceh stands as perhaps the most important example of building back better. In mid-December 2006, Aceh held its first-ever provincial and district-level elections, and peace seems ever-more non-reversible for this province, the scene of long-time conflict.

26. Disaster risk reduction poses another important challenge, as disaster management must become fully integrated into the activities of all reconstruction partners. In the education and health sectors, greater attention will need to be directed in the coming years towards improving quality and strengthening local capacity. Aceh also still faces challenges in terms of short- and long-term livelihood creation and planning.

27. The Government had insisted on broad participatory mechanisms in aid delivery. Research on monitoring and impact assessment was conducted, which proved that the earlier the community-driven approach was adopted, the better the quality of the recovery process and of the sustainability of communities and the higher the level of community satisfaction.

28. Finally, as the Rehabilitation and Reconstruction Agency for Aceh and Nias begins to plan its own handover to local government and exit from Aceh and Nias in 2009, all reconstruction partners will also begin to think about transitions in their programmes. This suggests the need to ensure early focus on transition strategies in 2007 and highlights the importance of maintaining the high-level commitment to reconstruction and building back better that has characterized the effort thus far.

Maldives

29. The tsunami flooded all but 9 of the 199 inhabited islands of Maldives, with 53 islands having suffered severe damage. Fifteen thousand people lost their homes, and one third of the population — approximately 100,000 people — were affected through the loss of homes, livelihoods and infrastructure damage. Aggregate estimated recovery needs of $393.3 million are now covered fully by existing commitments, although there are still shortfalls in certain sectors, with some underfunded and others overfunded, because provision of funds does not always match requested needs. A total of $141 million had been spent by the end of 2006. Following the tsunami, the pillars of economic activity — tourism, fishing and agriculture — had been severely affected. Through tsunami-affected livelihoods restoration assistance, 82 per cent of damaged fishing vessels received aid related to boat repair and fishing gear and cash grants. Support has been provided to the agriculture sector in the form of relief assistance to 6,000 families, and women from 26 islands received cash grants and help in the replacement of tools for income generation.

30. The tsunami's drastic effect on the economy — gross domestic product (GDP) had contracted initially by 5 per cent — is now being mitigated, mainly by increased

revenue from tourism and reconstruction. Following intensive efforts by the Government, the tourism industry is fully recovered. The figures for April 2006 arrivals were the highest ever recorded. The overall number of tourist arrivals in 2006 was very close to pre-tsunami levels. The rebound in tourism and fisheries (the 2005 catch was the highest recorded) contributed to an extraordinary 18 per cent projected GDP growth in 2006. Growth is expected to stabilize at pre-tsunami levels of 7 per cent in 2007. Of the 10,660 people internally displaced, approximately 6,000 are in temporary shelters, with the remainder living with families. Permanent housing reconstruction has progressed. Nearly 6,000 houses were in need of repair and 3,000 in need of rebuilding. Of these, more than 1,100 houses on 83 islands had been repaired by the end of 2006, and repairs were under way on an additional 2,500; 158 houses had been rebuilt with another 1,161 under construction. Land acquisition and allocation, the tendering and selection of partners, and logistics and access to some islands have all presented challenges in respect of permanent housing construction. Nonetheless, the new permanent homes are a key example of the Government's effort to build back better.[1]

31. In the health sector, work has focused on reconstruction and replacement of physical infrastructure and equipment. Construction is under way on three atoll hospitals and one regional hospital; 6 of the 12 planned health centres have been completed and 4 are under way. A total of 30 health posts will be rehabilitated or reconstructed, of which 24 are complete. All health posts and centres are likely to be operational by the end of 2007.

32. By the end of 2006, 20 of the planned 87 permanent schools and 5 of 20 pre-schools had been upgraded or rebuilt. Efforts are also under way to improve the quality of education. Over 400 teachers have been trained in child-centred teaching/learning, and Internet access is planned for 24 teacher resource centres.

33. Damage to the fishing industry was relatively minimal, and recovery targets have been met. Efforts are now concentrating on long-term development, which includes the elaboration of appropriate industry regulations and guidelines, capital investment, technical support for diversification, and training for commercial fisherfolk. In the agriculture sector, over 6,000 farmers have benefited from close to $1.4 million in cash grants.

34. The National Disaster Management Centre, which was transformed into a permanent institution in December 2006, has developed a National Plan on Disaster Management. The Government is undertaking the Safe Islands Programme, which aims to relocate some island populations to seven islands that are considered safer or to create safe zones for isolated communities on distant islands. Policies are focusing on building a post-tsunami strategic environmental framework, and United Nations organizations have been working with the Government to put into practice the principle of building back better.

35. The main achievements of the Aid Coordination Project include (a) the establishment of the Development Assistance Database to track and monitor external resources; (b) an analysis of the aid coordination structures currently in place;

[1] The International Federation of Red Cross and Red Crescent Societies is publishing twice-yearly Federation-wide progress reports including both programmatic and financial data, as well as narrative accounts of the successes and challenges of the ongoing operation. The reports are available from www.ifrc.org/tsunami.

(c) recommendations to the Government's key coordination body, the Aid Management Coordination Committee; (d) establishment of a Maldives Partnership Forum, which has brought together the international and national communities to discuss development issues; (e) input provided to the development of the Seventh National Development Plan and the reviews of the financial needs for the National Recovery and Reconstruction Plan and; (f) expansion of the role of the Development Assistance Database as a tsunami recovery tool to include provision of data on all development assistance (loans and grants).

36. Although the recovery process is on track, several key challenges remain. Increasing the pace of housing construction remains a critical priority for 2007, which will require tackling logistic constraints, the small labour market, and escalating construction costs. Harbour reconstruction is another key challenge, including the need to secure funding to ensure construction on the 50 high-priority harbours requiring rehabilitation. Implementation of the Safe Islands Programme has been making only modest progress thus far, as the Government and communities face the complexities of relocating and consolidating communities on different atolls.

37. Finally, political reform has been a key goal in terms of building back better in Maldives. The Government launched a comprehensive process of governance reform in early 2005, which continues to face serious challenges. It will require a commitment to political compromise and political dialogue on the part of both the Government and the opposition, and will need close monitoring and engagement by friends of Maldives in 2007 and beyond.

Sri Lanka

38. The tsunami devastated over two thirds of Sri Lanka's coast and caused more than 35,000 fatalities. The financial needs of Sri Lanka were estimated at $2.15 billion. A total of $2.99 billion has been committed for reconstruction, of which $1.095 billion had been spent by the end of 2006.

39. Sri Lanka has embraced a different approach to housing reconstruction. The majority of those in need of new homes are receiving cash grants to rebuild their homes, with the remainder having their homes rebuilt by donors, the International Federation of Red Cross and Red Crescent Societies, non-governmental organizations, or others. In all, 114,069 houses need to be rebuilt or repaired. A total of 79,184 units (39,823 partially damaged units and 38,361 fully damaged units) are being rebuilt, which is approximately 59 per cent of the total. Roughly one third of the total housing requirement falls within the so-called buffer zone, which is the area close to the coast where home building is not allowed by the Government for safety reasons. People falling within the buffer zone qualify for the donor-built housing scheme, which gives them both land and a house built by an implementing agency. By the end of 2006, a total of 46,531 houses had been completed under this initiative, and 32,653 were in progress.

40. The tsunami caused some 150,000 people to lose their source of livelihood, half of whom had been in the fisheries sector, 45 per cent in the service sector (for example, trade and tourism) and 5 per cent in the agriculture sector. About 80 per cent of all affected people lost their main source of income and 90 per cent lost productive assets. Livelihood programmes have utilized cash grants, cash for work,

asset replacement, and access to capital through microfinance. In the fisheries sector, most fishermen are back to sea, and the fish catch now stands at 70 per cent of pre-tsunami levels in some areas. All damaged fishing boats have been repaired; 19,741 boats, representing 95 per cent of the total number destroyed, have been replaced, compared with only 21 per cent of the total number of multi-day boats destroyed. In the tourism sector, owners of 90 per cent of tsunami-affected hotels have repaired their property through a loan scheme supported by the Central Bank.

41. In the health sector, the main emphasis has been on reconstructing damaged health facilities. Although 102 health facilities were destroyed or damaged in the disaster, the Government has set a target for the rebuilding or repair of 243 health facilities, including some facilities that, although unaffected by the tsunami, are in need of general upgrading. By December 2006, 55 had been completed. As a direct result of the tsunami, 183 schools were destroyed or damaged, and an additional 444 schools were damaged from their use as welfare centres for internally displaced persons. Of the 183 schools, 18 had been completed, and 105 were under construction as of December 2006. The Government was able to secure funding to repair just over one half of the schools used to house internally displaced persons. Of these, 38 were complete at the end of 2006, with 152 in progress.

42. The Sri Lanka Disaster Management Act, enacted in May 2005, had established the National Council for Disaster Management as the main institution for disaster risk management. Further to the implementation of the Act, the road map for a safer Sri Lanka document, a 10-year blueprint for disaster management activities, was launched in early 2006. Communities have been educated regarding what to do when disasters strike and have taken part in emergency response drills, while community-based hazard maps are being produced and risk assessments are being carried out.

43. The most significant challenge to the recovery process is the ongoing civil conflict. Escalating violence over the past year has caused serious setbacks with respect to the reconstruction effort in the north and east of the country, although reconstruction continues largely apace in the south. The conflict has also impacted the livelihoods of around 2.5 million people and has hampered the economic recovery of tsunami-affected areas in the north and east.

44. Security concerns have created major operational obstacles across a range of sectors, making it difficult, and in some cases impossible, for international aid partners to move supplies, to and carry on work in, the north and east. In particular, restrictions on transportation of certain construction materials such as cement and steel, as well as difficulties in accessing certain tsunami-affected areas have hampered the recovery effort in these areas. In terms of the donor-driven programme, there is a continuing requirement that appropriate land on which to build new houses be identified, and efforts to fulfil the need for accurate and complete beneficiary lists continue to cause delays and, in some instances, have led to inequities in distribution of houses. One hundred and thirty-five communities serving as Community development council were officially registered as legal entities by the Government. This community-based approach is well established and is currently being replicated and adopted in conflict-affected areas, as a building block in the promotion of peace and reconciliation processes.

45. In the health sector, challenges include the need to break ground on large-scale construction projects, build capacity of health-care workers and communities, and

improve coordination mechanisms at the local level. In terms of education, progress and programme monitoring have significantly slowed in the north and east owing to the security situation, and funding gaps remain. While progress has been made in rebuilding large-scale infrastructure such as roads, bridges, railways, ports and harbours, and electricity and water supply, challenges persist, including difficulties in procurement and logistics, increasing costs of construction materials, a lack of sufficiently skilled contractors, and problems of coordination. In addition, restrictions imposed on the movement of civilian, United Nations and NGO vehicles in some parts of the north led to a shortage of drugs in local hospitals and clinics.

46. It will be important to maintain momentum in the area of disaster risk reduction, particularly in terms of ensuring that the projects envisaged over a 10-year period in the road map document are adequately funded and implemented. There is a need to focus on building the capacity for national-level agencies and other managers, to mainstream disaster risk reduction efforts into the work of all relevant ministries and line departments, and to strengthen the mechanisms for coordination among all the actors working in this sector.

47. In the fishing sector, there is continued concern regarding the oversupply of small day boats, which is causing labour shortages and harbour capacity problems, as well as the need for multi-day boats, which typically catch about one third of the total fish supply. The replacement and repair of these vessels have been underfunded thus far. On the tourism front, the fact that tourist arrivals continue to be low has had a greater impact on small-scale operators, who are facing serious financial difficulties. The difficulties faced by the tourism sector have been greatly exacerbated by the upsurge in the conflict, which has led to a significant decrease in tourist numbers from mid-2006. In the north and east especially, there is continued demand for cash grants and cash-for-work programmes.

48. United Nations organizations are assisting with the mainstreaming of risk reduction into local level development planning through the development of a risk profile, that is to say, a hazard map of the country identifying areas vulnerable to threats such as tsunami, landslides, flooding, cyclones and drought, which should be taken into consideration when planning development interventions. National capacities are enhanced in this sector through assistance to the Disaster Management Centre, the establishment of an Emergency Operations Centre and the creation of end-to-end early warning systems in selected vulnerable areas. In terms of assistance to policy development, United Nations organizations have played a pivotal role in supporting the deliberations of the Parliamentary Select Committee on Natural Disasters and the subsequent development and adoption of a Disaster Management Act.

49. A large proportion of the livelihoods and housing projects were conducted through community-based organizations. To build up capacities of these institutions for future development, the Strong Places project assisted over 700 community-based organizations in developing their skills and organizational structures in order that they might play a more equal role in the development process in their areas, a legacy that would last beyond the tsunami recovery process.

Thailand

50. Hundreds of thousands of people were affected by the tsunami in Thailand. Over 8,200 people were killed, 400 fishing villages along the Andaman coast were seriously hit, and tens of thousands of people in the fisheries and tourism sectors lost their means of livelihood. The tsunami also seriously affected the environment, with marine and coastal national parks severely damaged, coral reefs destroyed, and agricultural land affected by saltwater intrusion.

51. A total of 4,806 houses had been destroyed or damaged. Owners of 4,110 of these requested support from the Government, which will rebuild 3,558 houses and provide cash support for repairs for 522 others. As of July 2006, 2,983 houses had been finished, and 575 were under construction.

52. There has also been significant progress in other areas. The Government's intensive weighing programme has contributed to the 5 to 6 per cent reduction in the rate of malnutrition among children in the six tsunami-affected provinces. Five schools were destroyed, with an additional 19 suffering damage; of these, all but one had been replaced or repaired at the two-year mark, with the remaining school under construction. Efforts in the education sector have also aimed to improve the quality of facilities for marginalized groups. Through a new initiative, safe drinking water and toilets are being brought to schools in the poorest ethnic minority and migrant communities of Krabi, Satun and Trang provinces. A total of 48 health facilities were destroyed or damaged and 40 have been repaired or rebuilt. In the fishing industry, 4,480 new fishing boats have been delivered.

53. The Government has also focused on resolving land disputes, which are mainly related to loss of land by communities that did not retain formal ownership of land that they had lived on for many generations. As of November 2006, over 60 of about 100 major land disputes submitted by tsunami-affected communities had been resolved by the Government Subcommittee on Resolving Tsunami-related Land Rights Issues.

54. The Government is working to strengthen disaster preparedness at the local level and to develop a national tsunami early warning system. To date, 425 provincial and local government officers have been trained in basic emergency response, crisis management, and damage/needs assessment. The Community-based Disaster Risk Management and Preparedness programme, which is enhancing capacity in disaster risk reduction and planning and preparedness as well as establishing risk maps, community shelters, community emergency response committees, search and rescue teams, and community and household risk reduction plans, has been initiated in six pilot communities.

55. Many of the challenges that Thailand will face in going forward with tsunami recovery are long-term systemic ones for which the Government has put in place new strategies and policies. Vulnerable groups remain a matter of particular concern, especially sea gypsy fishing communities that were especially hard hit by the tsunami. Accumulated debts combined with rising oil prices (which affect boat operators) will continue to affect their recovery. It will be important to continue efforts to safeguard the land rights of these groups.

56. The continued engagement of local government in the ongoing recovery effort will be critical, as local government institutions are better placed to orchestrate the

type of community participation required to ensure that outcomes are truly anchored in the needs of the affected households.

57. In June 2006, the United Nations Development Programme (UNDP) in conjunction with The Coca-Cola Company and the United Nations Foundation launched the "Working with Communities to Meet Water and Sanitation Needs Sustainably" project, with four villages selected for water resource development implementation. UNDP also assisted in the mobilization of funds from the Global Environment Facility (GEF) and the South-South programme for a coastal forest management project and a community-managed boat repair shop. In addition to carrying out its relief and development efforts, the project also facilitated the resolution of land dispute problems through human rights intervention.

Malaysia, Myanmar, Seychelles, Somalia and the United Republic of Tanzania

58. The tsunami was extraordinary in both the intensity of its devastation and its wide geographical reach, with waves impacting land and people 4,000 miles from the earthquake's epicentre. Apart from the five worst-affected countries, Malaysia, Myanmar, Seychelles, Somalia and the United Republic of Tanzania also experienced varying degrees of destruction.

59. The tsunami was the worst disaster in Malaysia's history, claiming 69 lives and destroying or damaging the houses of 8,000 people, many of whom lived in poor fishing communities. In Myanmar, the official death toll was 61, with 200 villages and 10,000-12,000 people directly or indirectly affected along the southern coast. The tsunami damaged housing and infrastructure in Seychelles, where 2 people were killed and 950 families were displaced. In Somalia, the tsunami struck just as the drought was coming to an end and livelihoods were beginning to recover from flash floods, freezing rain and environmental degradation. A total of 289 people were killed and 44,000 people required emergency humanitarian assistance. In the United Republic of Tanzania, the tsunami claimed 12 lives.

60. In Somalia, construction of schools has resulted in the highest enrolments in the past 15 years. In Malaysia, best practices from HIV/AIDS interventions in tsunami-affected areas, such as harm reduction and prevention of mother-to-child transmission have contributed to the National Strategic Plan on HIV/AIDS. In Myanmar, more than 60,000 families received insecticide treated bed nets to prevent malaria.

III. Status of implementation of recommendations from the 2006 report of the Secretary-General

A. Coordination in the humanitarian and recovery phases

Dedicated field-based recovery management structures

61. Sri Lanka already had a network of field offices in 8 districts (12 at the height of the tsunami recovery process), which proved to be an invaluable mechanism in the immediate aftermath of the tsunami and the reconstruction effort thereafter.

Coordination mechanisms mirroring the composition of the self-assessment tool for natural disaster response preparedness of the country teams, with the inclusion of the International Federation of Red Cross and Red Crescent Societies and NGOs, were established in the conflict-affected districts in the north and east. Devolution of decision-making power to the field offices helped ensure the rapid provision of needs assessments and the rapid development of project proposals for the recovery effort.

62. In Indonesia, through consultation with the Rehabilitation and Reconstruction Agency for Aceh and Nias and local governments, the Office of the United Nations Recovery Coordinator for Aceh and Nias has initiated a pilot district-level coordination mechanism. As the main coordination forum for the joint secretariat, the transitional joint planning and monitoring body at the district level is being rolled out across Aceh and Nias as part of the regionalization strategy of the Agency. The forum offers a structured mechanism through which to ensure a participatory approach in developing, coordinating, executing and monitoring district recovery and development plans with the involvement of representatives of civil society (women, youth, business, associations, former-combatants associations, and traditional leaders), international organizations, local government, the kecamatan development programme, the Agency's regional office, etc. The Governor launched the first pilot recovery forum in Aceh Timur on 14 March 2007. Preparations are under way for similar launches in other districts.

63. At the sub-district level, field offices of the Office of the United Nations Recovery Coordinator for Aceh and Nias continued to roll out and provide support to the kecamatan coordination and implementation mechanism in their areas of responsibilities. The Office is in turn strengthening its support to sub-districts where the recovery processes have been particularly slow and the local government capacity has been weak. The Office's Information and Analysis Section will continue to support the standardization of the collection of data on needs and activities, which would inform priority setting and monitoring at the district level through the aforementioned coordination forum.

64. To enhance coordination and better manage challenges and opportunities across thematic and geographical areas, the Office of the United Nations Recovery Coordinator for Aceh and Nias has led a scoping assessment directed towards providing a virtual knowledge management network of international and local recovery/governance professionals and decision makers. This network, an international United Nations best practice known as "Solution Exchange", will develop six virtual "communities of practice" supported by a coordination and research secretariat to ensure high-quality, timely and targeted prescriptions (solutions) in all phases of recovery and governance planning, programming and implementation.

65. To facilitate the recovery process, in particular in the areas of shelter and community infrastructure, community-driven approaches were restituted to ensure that the skills and investments remained in the communities and strengthened donorship and solidarity. Training local communities and local government officials who would be enabling this process was also essential.

B. Different models of government humanitarian and recovery institutions

1. Continued reform of recovery institutions

66. At the end of March 2007, the Parliament of the Government of Indonesia passed a long-awaited disaster management bill. Under the provisions of the new Law on Disaster Management, Indonesia will establish a National Disaster Management Agency to provide leadership in comprehensive disaster risk reduction, including emergency response, through both routine sectoral programmes and specially earmarked funds in national, provincial and district budgets. The Law is based on the premise that protection from disaster hazards is among the basic rights of the population, and confirms the role of Government as the duty-bearer in ensuring such protection. The provisions also highlight the need for integration of disaster risk reduction into national development programming, and the allocation of sufficient funds for that purpose. Furthermore, when a state of disaster is declared, the Agency will exercise special authority in leading and coordinating the response, including undertaking early recovery, leading to rehabilitation and reconstruction, as also provided for in the new Law. The head of the new Agency will have cabinet rank.

67. As a part of its comprehensive assistance to national disaster risk management efforts, Sri Lanka continues to provide technical support and capacity development to the Disaster Management Centre, the newly created lead agency for all disaster risk reduction efforts in the country, so as to enhance its coordination capabilities and improve its ability to conduct planned activities in this sector.

2. Assessing damages and needs

68. Partners of the Tsunami Recovery Impact Assessment and Monitoring System have made some key recommendations that should be taken into consideration by those proposing reform in needs assessment processes, including the following:

- Coordination between various line ministries and data-collection agencies is vital, as some data, although readily available, are not routinely shared; United Nations and other stakeholders need to support coordination between and within these ministries and agencies.
- For information to be useful, disaggregation of data should be carried out down to the smallest possible denominator, namely, the sub-district or village level, depending on the type of data being collected; and data collection should include non-affected populations in order to monitor inequities that could be created or exacerbated by the disaster response. Such an approach would provide decision makers with a more coherent evidence base so as to help prevent responders from "doing harm" through the application of overly stringent targeting policies and practices.
- It is important that both absolute numbers and percentages be included in the data-collection process in order that the extent of the destruction, and the scope of the losses, as well as the resilience of the community, may be captured.
- The fact that good decision-making and good programming are based on good information requires that data be analysed and transformed into a useful

product for decision makers. To date, the myriad systems set up during the tsunami response have not consistently provided decision makers with good information.

C. Transparency and accountability to donors, including financial tracking and reporting, monitoring and evaluation, and measuring progress

69. The report of the Secretary-General for 2006 (A/61/87-E/2006/77) had noted that several tools had been developed to increase the transparency and accountability of the myriad actors involved in the tsunami response. Important progress was made in 2006 in the development and implementation of several of those tools, notably the Development Assistance Databases, the Tsunami Recovery Impact Assessment and Monitoring System and the Tsunami Evaluation Coalition.

70. The Secretary-General's recommendation that all local and international organizations provide comprehensive information to the Development Assistance Database systems (see A/61/87-E/2006/77, para. 69) has been acted upon. The four national Development Assistance Databases established to track recovery and reconstruction assistance have been updated regularly and provide project-by-project data on over $7 billion in assistance and on more than 2,500 individual projects. Members of the public, Governments, donors and all interested parties have open access to the Databases themselves, and the pre-prepared reports that have also been posted on country websites for Sri Lanka and Thailand provide new standards of accountability and transparency. The Databases have been shared with and drawn upon by the International Organization of Supreme Audit Institutions in its review of tsunami assistance.

71. A major thrust of United Nations technical support for the Development Assistance Database has been towards building the capacity of the Government agencies that manage the databases to maintain and update the systems locally in order to ensure the sustainability of the tool for the longer term. A second component has entailed adapting the systems so as to enable them to respond to broader and longer-term accountability and transparency goals that go beyond those related to the tsunami. Thus, in Sri Lanka, the Development Assistance Database has been adapted so as to track projects addressing the conflict as well as tsunami-related assistance, while in Maldives the system has been evolving towards tracking the overall national budget, including domestic resources used in preparing the public sector investment programme.

72. In order to ensure that the Development Assistance Database supports better decision-making through its planning and monitoring functions, as well as transparency and accountability objectives, island, provincial and district reports have been prepared and disseminated to actors at the local levels. Information from the Development Assistance Database has also fed into the Tsunami Recovery Impact Assessment and Monitoring System, providing financial data and project output and results data to complement the overall indicators of physical and developmental progress. In Indonesia, the Development Assistance Database has been integrated into the Rehabilitation and Reconstruction Agency's Recovery Aceh-Nias (RAN) database as a monitoring and planning tool.

73. The Tsunami Recovery Impact Assessment and Monitoring System is a common analytical framework designed to assist Governments, aid agencies and affected populations in assessing and monitoring the rate and direction of tsunami recovery. It has four main components, namely: (a) outcome and impact indicators collected largely through existing Government surveys; (b) core and country-specific monitoring indicators collected largely through routine information systems; (c) various methods devised to measure perspectives of affected populations; and (d) additional qualitative and other methods that allow for the triangulation that is helpful in analysing and interpreting quantitative findings. It is significant that that the Tsunami Recovery Impact Assessment and Monitoring System framework is beginning to address considerable gaps in the analytical approaches of the United Nations and other actors involved in recovery. Analysis conducted in Sri Lanka, Indonesia and Maldives has demonstrated how existing data can be mapped against current needs assessments and disaggregated to a subdistrict, island or village level so as to reveal significant progress, and occasional over-commitments, as well as large gaps in recovery work.

74. The Tsunami Evaluation Coalition produced five thematic evaluations and two synthesis reports in 2006. Four main findings and over 200 sub-recommendations were noted in the initial synthesis report. Coalition members continue to disseminate findings to various actors and, more importantly, are beginning to benchmark utilization of the recommendations. This work is expected to continue well into 2007 and 2008 with milestone events planned at which agencies, international, bilateral and non-governmental organizations and others will discuss their approach in adopting the Coalition's recommendations, many of which are noted throughout this report.

1. Support for the Development Assistance Database

75. All local and international organizations should support the efforts of the responsible Government authorities to assume full responsibility for the management and sustainability of the Development Assistance Databases, including their continued adaptation for accountability and transparency-related uses in areas extending beyond the tsunami and increased integration with local government structures and civil society actors. Sri Lanka was successful in mobilizing further donor funding locally (from the Government of Norway) for the Development Assistance Database. This will ensure continuity in monitoring financial commitments and disbursements as well as offer the possibility of further expanding the scope of the Database to include its utilization in output tracking at the disaggregated level (for example) and as a local-level planning tool.

2. Support for the Tsunami Recovery Impact Assessment and Monitoring System

76. The Office of the United Nations Recovery Coordinator for Aceh and Nias Information and Analysis Section, working together with the Rehabilitation and Reconstruction Agency and the provincial government, prepared a Tsunami Recovery Indicator Package report, which was presented by the Agency at the Tsunami Recovery Impact Assessment and Monitoring System workshop held in Bangkok from 21 to 23 March 2007. Prior to this, the stakeholders had met in a national workshop organized by the Information and Analysis Section to develop a draft Indonesia action plan for implementation of the benchmarks envisaged by the System.

77. The Government of Sri Lanka requested UNDP to lead the qualitative assessment segment of the Tsunami Recovery Impact Assessment and Monitoring System initiative at a May 2006 workshop held in Bangkok. UNDP has begun work on conducting beneficiary perception surveys (through a semi-structured questionnaire) in five affected districts. UNDP, together with the University of Colombo, is also building on its highly successful Peoples Consultations on Tsunami Recovery project undertaken in 2005 to conduct focus group discussions with beneficiary communities across six affected districts, as part of the Tsunami Recovery Impact Assessment and Monitoring System effort. It is hoped that these two components will provide a comprehensive set of qualitative data on beneficiary perspectives on the recovery process. Additionally, the United Nations Children's Fund (UNICEF) and the World Health Organization (WHO) are supporting key staff of the United Nations Resident Coordinator in respect of the undertaking of district and subdistrict analyses in the health, education and livelihood sectors, further demonstrating the potential power of the Tsunami Recovery Impact Assessment and Monitoring System framework as a planning tool.

78. The Government of Maldives through the Ministry of Planning and National Development has led the implementation of the Tsunami Recovery Impact Assessment and Monitoring System with ongoing support from UNDP, WHO and the International Federation of Red Cross and Red Crescent Societies. In order to continue the progress and build the capacity of the Government in a sustainable manner, the Ministry has developed three extensive proposals for which it is seeking support.

79. In overall terms, significant progress has been made in further developing and piloting the Tsunami Recovery Impact Assessment and Monitoring System framework. Participating countries added risk reduction indicators to the framework in April 2007 and updated other indicators reflecting important changes in the recovery situation in most countries. At least two countries are making efforts to link the System framework with the United Nations Development Assistance Framework to allow for a smoother transition in respect of the monitoring and evaluation systems supported by various stakeholders and, more importantly, to encourage the United Nations Development Assistance Framework process to empower local decision makers by supporting disaggregation of data and analysis to the lowest level possible. A few countries are working with UNICEF, UNDP and others to apply this approach to the Millennium Development Goals.

3. Making information on accountability available to civil society

80. Transparency and accountability have been seen as central to the tsunami recovery programmes and several initiatives were implemented to address these issues. An AID/WATCH initiative was piloted, which empowered the beneficiaries themselves to monitor the implementation of tsunami recovery projects such as the Galle housing scheme.

D. Risk reduction, tsunami early warning, and incorporation of prevention in development planning

81. Since the tsunami, many activities in evaluating and strengthening the tsunami early warning systems have focused principally on establishing the system's

governance structure, its technical implementation, and public awareness and preparedness, along with training, technical advice and related activities.

82. Several targeted training activities involving more than 150 national officials and researchers have taken place in the Indian Ocean countries and are continuing. Much-needed public awareness and educational materials translated into the many different languages of the region have also been produced. A series of milestones have been provided to measure progress in establishing official Tsunami Warning Focal Points, enhancing detection networks and communications, and defining comprehensive national plans for each country participating in the process.

83. Today, the Indian Ocean Tsunami Early Warning System includes seismological and oceanic observation networks, regional analysis and advisory centres, and national tsunami warning centres linked to national risk assessment and preparedness activities. Twenty-five nations (out of a possible 28) have established official Tsunami Warning Focal Points capable of receiving and disseminating tsunami advisories around the clock. The Intergovernmental Coordination Group for the Indian Ocean Tsunami Warning and Mitigation System, coordinated by the Intergovernmental Oceanographic Commission of the United Nations Educational, Scientific and Cultural Organization offers an excellent example of cooperation between Member States, United Nations organizations and donors. It has taken decisions on the underlying technologies to be employed, and the mechanisms for regional governance, funding, cooperation and communications.

84. As of March 2006, of the 28 countries participating in the Indian Ocean warning system, 20 lacked national plans for a tsunami early warning and response system. As of 18 May 2007, 11 Indian Ocean countries had submitted national action plans to overcome this gap in developing national capacity. A consortium of seven International Strategy for Disaster Reduction system partners offers advisory and implementation support to Governments that have fallen behind in developing national capacity.

85. Under the coordination of the secretariat of the International Strategy for Disaster Reduction, a major achievement has been the establishment of partnership and coordination mechanisms across a wide spectrum of partners and donors, providing an example of an integrated apparatus for the support of the implementation of the Hyogo Framework for Action 2005-2015: Building the Resilience of Nations and Communities to Disasters.[2] The future of the Hyogo Framework for Action depends on the availability of funding and the continued commitments of Governments. It is the responsibility of national Governments and funding agencies to come forward. At the national level, countries are working to establish clearer responsibilities so as to ensure that early warning systems are people-centred. However, the critical elements of community preparedness, community education, and outreach programmes are generally not yet in place in most countries. Only a few countries have developed tsunami emergency plans or tested response procedures for tsunami and earthquakes. Moreover, much of the data needed to develop these plans have yet to be collected. Nevertheless, there is a much greater awareness among all policymakers of the importance of these disaster reduction and environmental issues.

---

[2] A/CONF.206/6 and Corr.1, chap. I, resolution 2.

United Nations A/62/84

General Assembly

Distr.: General
22 May 2007

Original: English

Sixty-second session
Item 108 of the preliminary list*
Crime prevention and criminal justice

Note by the Secretary-General

In accordance with General Assembly resolution 60/175 of 16 December 2005, the Secretary-General has the honour to transmit to the Assembly at its sixty-second session the report of the Conference of the Parties to the United Nations Convention against Transnational Organized Crime on its third session, held in Vienna from 9 to 18 October 2006 (CTOC/COP/2006/14).

* A/62/50

V.07-83860 (E) 240507 250507

United Nations A/62/85

General Assembly

Distr.: General
22 May 2007

Original: English

Sixty-second session
Item 58 (c) of the preliminary list*
Globalization and interdependence: preventing and combating corrupt practices and transfer of funds of illicit origin and returning such assets, in particular to the countries of origin, consistent with the United Nations Convention against Corruption

Note by the Secretary-General

In accordance with General Assembly resolution 61/209 of 20 December 2006, the Secretary-General has the honour to transmit to the Assembly at its sixty-second session the report of the Conference of the States Parties to the United Nations Convention against Corruption on its first session, held in Amman from 10 to 14 December 2006 (CAC/COSP/2006/12).

* A/62/50.

V.07-83854 (E)